

was a threat from  
up of extremists.  
at pressure on the  
who is portrayed  
cally indecisive  
by the democratic  
ish society. The  
passion of bribing  
sign of bribing  
deputies in an  
persuade them to  
partition of, and  
the betrayal of  
ry.

ience applauded  
speeches that all  
certain mood. The  
a deputy who re-  
bribed. He says  
ever you blame  
or liberals. "Ru-  
russians the time  
when everybody  
he deserves."

and speech by the  
ambassador. Puz-  
is more direct in  
ears. Russians will  
for what has been  
he says. "The  
sentiment—the  
comes and goes but  
nation will survive  
up clearly in the  
of the place. In  
ie blood will dry in  
soil and free peace  
come to plough  
and toil."

are story sent  
time when pri-  
congresses of  
induced by  
and when gov-  
communications talk  
of Poland and the  
son.

audiences are of  
more time in  
sentiment. There  
are more inclined  
to strongly to such

th the relationship  
warmer as the  
level. It is dis-  
more could  
in other areas. The  
the Polish-Soviet  
once  
inhibited states of  
less. The compli-  
in Warsaw.

Roger Boyes

Call to censure  
Holmes a Court

The Takeover Panel has been  
asked by Mr. Gerald Rousou,  
chief of Heron Corporation, to  
censure Mr. Robert Holmes  
a Court publicly for an alleged  
breach of the Takeover Code  
with the "secret" purchase of  
almost one million non-voting  
shares of Associated Commu-  
cations Corporation. Page 11

London crime  
increasing

Figures to be published this  
week are likely to show that  
serious crime in London has  
increased considerably. It is  
understood that there were  
about 36 crimes every hour in  
the Metropolitan police area  
last year. Page 2

Guatemalans go  
to the polls

Guatemalan guerrillas scored a  
propaganda coup by securing  
the publication of their man-  
ifesto in all local newspapers  
as a condition for the release  
of a kidnapped journalist.  
as the country went to the  
polls. Page 4

TUC may expel  
actors' union

Equity, the actors' union, may  
be expelled from the TUC be-  
cause it has applied to the  
Government for reimbursement  
of money spent on postage and  
stationery during recent elec-  
tions. The TUC is expected to  
confirm soon a policy ordering  
unions not to seek public funds  
for ballots. Page 2

Amateur rider  
killed in fall

John Thorne, the amateur  
rider, was killed in a point-to-  
point fall at Mollington on Sat-  
urday. Mr. Thorne rode his  
horse Spartan Missile into sec-  
ond place behind Aldenti in  
last year's Grand National.  
Obituary, page 10

Yorkshire peace  
team chosen

Yorkshire County Cricket Club  
appointed a three-man com-  
mittee to try to restore har-  
mony between Geoff Boycott  
and Ray Illingworth. The  
committee members include  
Freddie Trueman, the former  
England fast bowler. Page 15

Marking time

The European security review  
conference resumes in Madrid  
today, but the session will tech-  
nically be Friday's because  
delegates could not then agree  
on a timetable of meetings for  
this week. Page 3

Leader page 9  
Letters: On the Budget and in-  
dustry from Sir Ian Gilmore,  
and others; Arab oil embargo,  
from Sir John Wilton.  
Leading articles: Trident; Com-  
plaints against doctors  
Features, pages 6, 8  
The true cost of the Trident;  
where politicians and judges  
must not disagree; how Greece  
is going under; Mr. Papandreu:  
An eye of budget assessment of  
Sir Geoffrey Howe  
Obituary, page 10  
Miss Dorothy Eden, Miss Ann  
Rand

Home 2, 3  
Overseas 3, 4, 6  
Arts 10  
Business 11-14  
Court 19  
Crossword 22  
TV & Radio 21  
Diary 8  
Events 22  
Weather 14  
Parliament 10

## Left threatens to set up power base to rival TUC

By Paul Routledge, Labour Editor

### Labour call for clamp on militants

Labour leaders are to be asked to delay endorsement of prospective parliamentary candidates who belong to the Militant Tendency until after the inquiry into the organization is completed. In a speech Mr Pat Wall (above), gave warning of bloodshed in the quest for a Socialist Britain. Back page

### Polish Church fears attack

Poland's Roman Catholic Church is frightened that the martial law authorities are planning a full-scale attack on the Archbishop Józef Glemp's hopes for a new General Wojciech Jaruzelski in an attempt to defuse the tension. Page 4

### Call to censure Holmes a Court

The Takeover Panel has been asked by Mr. Gerald Rousou, chief of Heron Corporation, to censure Mr. Robert Holmes a Court publicly for an alleged breach of the Takeover Code with the "secret" purchase of almost one million non-voting shares of Associated Commu- cations Corporation. Page 11

### London crime increasing

Figures to be published this week are likely to show that serious crime in London has increased considerably. It is understood that there were about 36 crimes every hour in the Metropolitan police area last year. Page 2

### Guatemalans go to the polls

Guatemalan guerrillas scored a propaganda coup by securing the publication of their manifesto in all local newspapers as a condition for the release of a kidnapped journalist, as the country went to the polls. Page 4

### TUC may expel actors' union

Equity, the actors' union, may be expelled from the TUC because it has applied to the Government for reimbursement of money spent on postage and stationery during recent elections. The TUC is expected to confirm soon a policy ordering unions not to seek public funds for ballots. Page 2

### Amateur rider killed in fall

John Thorne, the amateur rider, was killed in a point-to-point fall at Mollington on Saturday. Mr. Thorne rode his horse Spartan Missile into second place behind Aldenti in last year's Grand National. Obituary, page 10

### Yorkshire peace team chosen

Yorkshire County Cricket Club appointed a three-man committee to try to restore harmony between Geoff Boycott and Ray Illingworth. The committee members include Freddie Trueman, the former England fast bowler. Page 15

### Marking time

The European security review conference resumes in Madrid today, but the session will technically be Friday's because delegates could not then agree on a timetable of meetings for this week. Page 3

Leader page 9  
Letters: On the Budget and in-  
dustry from Sir Ian Gilmore,  
and others; Arab oil embargo,  
from Sir John Wilton.  
Leading articles: Trident; Com-  
plaints against doctors  
Features, pages 6, 8  
The true cost of the Trident;  
where politicians and judges  
must not disagree; how Greece  
is going under; Mr. Papandreu:  
An eye of budget assessment of  
Sir Geoffrey Howe  
Obituary, page 10  
Miss Dorothy Eden, Miss Ann  
Rand

Home 2, 3  
Overseas 3, 4, 6  
Arts 10  
Business 11-14  
Court 19  
Crossword 22  
TV & Radio 21  
Diary 8  
Events 22  
Weather 14  
Parliament 10

## Free speech and the law



Mr Martin Webster, national activities organizer of the National Front, speaking at a London rally yesterday, and one of the hundreds of policemen on duty. There were two arrests.

## More directors to leave BA board

By Philip Robinson and Jonathan Davis

At least three other executive directors will leave British Airways after the abrupt departure last Thursday of Mr Roger Moss, for eight years finance director and a member of the group's executive management board.

He has been put on one month's leave of absence pending a negotiated settlement over his departure. The sudden boardroom shakeup of the nationalized carrier which is set to lose £200m this year, follows hard on the completion of a 500-page report on the airline by Price Waterhouse, city accountants.

The report, which is understood to be critical of BA's financial management is cloaked in secrecy. Only a handful of copies are available and all are on a strict "need to know" basis. Mr Moss was placed on leave of absence by Sir John King, BA chairman, just 24 hours before the main board saw the study.

Sir John is due to discuss its contents this week with the executive board of management of which Mr Moss was a member, and it will then be sent to the Government.

Sir John said last night: "It

is unfortunate that this fellow's departure coincides with this report. I don't think there will be a number of senior departures. There might be one or two."

Mr Moss, who it is understood has not been named in the report, said: "I did not have the opportunity to study the report myself."

Sir John commissioned the Price Waterhouse study last autumn as a part of a planned programme which would result in a large part of the airline being sold to the public under the Government's privatization plans.

As part of that plan, Sir John was looking for a financial director to join the main board, which has already seen the departure of Sir Peter Parker, the BA's chief executive, and Sir Jeffrey Stirling, chairman of the London-based Town and City Properties.

Mr Moss was called into Sir John's office on Thursday and told that he would not be appointed to the main board and that he should consider a leave of absence pending a settlement over the remainder of his contract.

## France may supply reactor to Israel

From Christopher Walker, Jerusalem, March 7

The French and Israeli governments are to begin exploratory talks on a suggestion that France should supply Israel with a nuclear reactor for generating electricity.

This possibility has emerged as one of the most controversial results of last week's state visit by President Mitterrand and a few of his ministers.

A senior Israeli official said today that the talks would take place initially at a diplomatic level, but might later be transferred to the Joint Commission on Economic and Technological Cooperation, which is due to resume discussions in Paris next month, after a lapse of more than 10 years.

Questioned about the type of nuclear reactor mentioned during last week's private discussion in Jerusalem, the official emphasized: "It would be purely for the production of low-cost energy by Israel. As far as we are concerned, this will be considered a technological and commercial venture."

Remarkably, the mention of revived nuclear cooperation—even at such a preliminary stage—will stir memories in the Arab world of the key role played by France in the late 1950s in helping Israel to achieve nuclear weapons capacity which is widely recognized internationally, but has never been acknowledged by any Israeli Government.

French technical expertise was largely responsible for the construction of Israel's first nuclear reactor, which is situated under heavy guard and conditions of the strictest secrecy near the development

town of Dimona in the Negev desert.

It is understood that the Israelis have held talks with the Americans about the production of a new reactor for generating electricity, but these were terminated after the American Government insisted on supervising all nuclear plants operating in Israel, as an essential condition for supplying a new one.

Asked whether France was adopting a similar attitude, the Israeli official would only say that "the French seem to be more flexible on that issue". He emphasized that there was no question of Israel changing its policy, and agreeing to sign the Nuclear Non-proliferation Treaty as a condition of any new deal with the French about the provision of a reactor.

At today's Cabinet meeting, Mr Yitzhak Shamir, the Israeli Foreign Minister, spoke optimistically about the outcome of Mitterrand's visit. He predicted that it would create a precedent which was likely to influence other European leaders and their policies.

The session was held in the absence of Mr Menachem Begin, the Prime Minister, who is still recuperating after falling ill with an accumulated fatigue at a presidential banquet last Thursday. Initially, the Prime Minister's spokesman had said that Mr Begin would be back working in his office today, but now it is thought that he will return to a normal schedule later in the week.

Arab reactions, page 4

## Sunshine Sunday at the Barbican

By Kenneth Gosling

The peace of a normal Sunday in the City of London was shattered yesterday by the arrival of hundreds of cars which packed the square mile in quest of the capital's latest and greatest tourist attraction—the Barbican Arts Centre.

"After this," a press officer said, picking his way carefully between the rapt ranks of children watching a Punch and Judy show, "no one can call us inaccessible." A few strays, however, still found their way to the Barbican's offices where extra staff were brought in to deal with non-stop telephone bookings—one every 30 seconds.

The centre was opened four days ago by the Queen and is already firmly on the tourist map.

Out on the terraces, in bright sunshine, people sat around the fountains and fed the resident flock of ducks with scraps from the hard-pressed canteen. Brightly-coloured umbrellas had been raised rather earlier in the year than intended.

The tramp, tramp of sight-seers' feet went on non-stop throughout the day, many people having arrived shortly after breakfast. Inside the centre the carpets were beginning to get slightly grubby as smokers failed to find ash trays and children spilled drinks.

In the office, at one of the computer terminals taking bookings for April and May, Mr Angus Watson, publicity manager, caught up with telephone calls and estimated that he had taken £2,000-worth of bookings, mostly for the London Symphony Orchestra which now has its base at the centre, in the three hours between 12.30 and 3.30 pm.

First-day covers were selling as fast as cafeteria cokes and badges reading "I found the Barbican Centre" went even faster. One man was walking round showing badge-wearers a piece of paper that said "Why, where did you lose it?"

Officials estimated that 20,000 people visited the centre on Saturday and probably 30,000 yesterday.

## Khomeini broadcast after talk of death

By Our Foreign Staff

Ayatollah Khomeini was reported to have received a group of Iranian football players at his residence in north Tehran yesterday and to have urged them to spread the Islamic revolution.

His speech, broadcast by Tehran radio and monitored in Beirut, apparently gave the lie to rumours that the revolutionary leader was seriously ill, or dead, after his office had said he was cancelling all engagements for two weeks.

Exiles in London who heard the broadcast said the voice was the ayatollah's and that it was a fresh recording.

## Chancellor will pace inflation, but charge it to the drinks account

By Julian Haviland, Political Editor

Sir Geoffrey Howe's fourth and probably last Budget, to be presented at Westminster tomorrow, is expected to be mildly inflationary in contrast to the severity of his measures a year ago.

He is confidently expected to raise income tax thresholds and allowances by 12 per cent, to compensate for inflation during 1981, but to do nothing in real terms for the personal sector.

Those who have urged him to go further and restore some of the allowance for inflation which he denied taxpayers a year ago have received no encouragement from the Chancellor. Indeed, half the cost of allowing for last year's inflation—about £2,000m—he is expected to recover by raising duties on drink, tobacco and petrol, also by 12 per cent.

This would put two pence on the price of a pint of beer, seven pence on 20 cigarettes, and ninepence on a gallon of petrol. It would add a penny in the pound to the cost of living.

The only real help the Chancellor is expected to give will be to industry. However the Confederation of British Industry, which pressed for a 2 per cent cut in the National Insurance Surcharge—at a cost of about £2,300m in a full year,



Sir Geoffrey Howe enjoying a beer yesterday at pre-Budget prices.

—now expect a cut of no more than half that size.

The Prime Minister's speech last month, in which he stressed that the decline in the price of oil had diminished Sir Geoffrey's room for manoeuvre, succeeded so well in depressing expectation among the Government's supporters in

the Commons, that any good news tomorrow will raise a cheer.

The party is almost desperate if not for immediate good news at least for some assurance that economic recovery is in prospect, and that something will be done to start to bring unemployment down before the next election. Confidence that Sir Geoffrey has any such plan remains low.

On their hopes on the inflationary effect of the fall in oil prices and a further fall in interest rates which the City expects. They will look keenly to see if the economic forecasts published with the Budget indicate a further fall in inflation over the next year.

Reports yesterday of a "massive rise" for members of the Royal Family appear to be wide of the mark. Details of the Civil List published with the Budget will show that the sum for meeting public expenses of the Queen and other members of the Royal Family, which was set at £4,335,000, one year ago is to be increased by several percentage points below the rate of inflation.

About 70 per cent of the Civil List allowance is spent on wages and salaries of employees of the Royal household. Last year the staff received rises in line with Government guidelines.

An overwhelming majority of blacks questioned also expressed political anger or discontent and predicted violence and widespread social unrest if meaningful reform did not occur in the near future. A majority further said that in

## Hillhead key to future of Jenkins

From Jonathan Wills, Glasgow

Mr Roy Jenkins's political future and, in particular, his chances of becoming the Social Democrats' leader, will depend on the Hillhead by-election result. Mr Jenkins has assured local Liberals that he will fight the Glasgow seat at the general election whether or not he wins there on March 25.

Mr Charles Brown, who stood down as Liberal candidate, said yesterday that as far as the Liberals were concerned, Mr Jenkins would be fighting Hillhead.

This undertaking will prevent Mr Jenkins from standing for any other seat before the general election if he loses this month. That would end his chances of the SDP leadership, at least in the immediate future.

Jenkins campaign, page 3

## Natal merger with black homeland sought

From Michael Hornsby, Johannesburg, March 7

The merger of Natal, one of South Africa's four white-ruled provinces, with the black-ruled homeland of KwaZulu to form a new multi-racial regional administration is the challenging, indeed in the South African context revolutionary, central recommendation of the report of the Buthezi Commission due to be released in Durban on Thursday.

The proposals of the Commission, which, if adopted, would drive a coach and horses through the existing apartheid structure are a highly ingenious attempt to show how universal franchise for both black and white South Africans could be combined with a degree of constitutional protection for whites and other minority groups.

The Commission was set up in 1980 under the aegis of Chief Gatsba Buthezi, the leader of KwaZulu and its more than 50 members include prominent black and white politicians, academics, businessmen, industrialists and churchmen under the chairmanship of Professor George Schreiner, Vice-Principal of the University of Natal.

The appearance of its report, awaited for some months, coincides with a crisis in South Africa's ruling National Party which led last week to the expulsion of 15 right-wingers over the issue of "power-sharing" between whites, Coloureds (mixed race) and Indians in a central Parliament and Government. Having shed his recalcitrant right-wing, Mr Pieter Botha,

the South African Prime Minister, is arguably better placed to entertain the kind of radical ideas set forth in the Commission's report, though these go far beyond even the most liberal reforms being discussed in the National Party.

For example, the controversial "power-sharing" concept offers no say in central government to blacks—more than 70 per cent of South Africa's total population—whose political needs are deemed to have been met by the setting up of KwaZulu and the other tribal homelands, or Bantustans, an approach which the Commission considers bankrupt.

One of the most interesting aspects of its report is the findings of a series of surveys of black and white opinion which show a growing anger

and impatience among blacks and a greater readiness among whites that is generally admitted by the Government to accept far-reaching reforms.

The survey of black attitudes both in KwaZulu and Natal and in the Witwatersrand area where many Zulus work, suggests that while seven to eight out of every 10 reject the tribal homeland concept, six to seven out of 10 (rather less in the Transvaal, but still a majority) would support a merger of KwaZulu and Natal on a multi-racial basis.

An overwhelming majority of blacks questioned also expressed political anger or discontent and predicted violence and widespread social unrest if meaningful reform did not occur in the near future. A majority further said that in

a guerrilla war most or many blacks would extend sympathy or active cooperation to insurgents of the banned African National Congress.

The report finds a slight majority among whites (and a rather larger majority among Coloureds and Indians) for giving blacks a share in decision-making in a common area formed by the merging of KwaZulu and Natal. Whites showed concern about the integration of schools but were prepared by a big majority to see residential areas thrown open to all races.

The report envisages the setting up of an executive for the merged Natal KwaZulu area on which, at any rate for a transitional period, the various ethnic groups would be equally represented.

### Lettings

We attract potential tenants through our well equipped agency department, meeting the exacting demands of modern day office users.

### Funding

We co-ordinate the interests of developers, contractors and institutional financiers to provide a sound basis for development projects.

### Development

Hamptons help clients to locate and acquire suitable office sites. We advise on how to achieve the most cost effective development programme.

### Office property starts here

## Hamptons & Sons

Head office: 6 Arlington Street, London. W1A 1RB Telex: 25341  
01-493 822  
City office: 9 Dowgate Hill, London. EC3A 7TD Telex: 694718  
01-236 731







Exports mean jobs. And one of the biggest customers for British exports is South Africa which buys 'Made in Britain' to the tune of £1-billion each year.

In addition, Britain benefits from about £1.5-billion of invisible earnings from the Republic.

All this is possible because South Africa has a stable economy and is committed to a policy of prosperity for all.

For example, within 3 years Black consumer spending will outstrip that of the White community. This means the outlook for exports of

British products is even more promising.

So who stands to gain if those people who want to create instability in South Africa have their way? Not South Africans (Black or White) who enjoy a ever-rising standard of living.

Certainly not the British who would lose a vast overseas market, especially during a major world recession.

The winners would be those dedicated political extremists who well understand that their cause advances through the instability they deliberately foment.

## South Africa

Further information can be obtained from  
The Director of Information, South African Embassy,  
South Africa House, London WC2N 5DP



# Poles fear Church will be next in firing line

From Roger Boyes, Warsaw, March 7

Poland's Roman Catholic Church is frightened that the martial law authorities are planning a full scale attack on it, a fear that is reinforced by the sentencing and investigation of two priests in the past few days.

Archbishop Jozef Glemp, the primate, is seeking a meeting with General Wojciech Jaruzelski, Prime Minister and party leader, to diffuse the tension and to consider ways in which a compromise can be found on the formation of a new union movement.

The Government has renewed talks with Mr Lech Walesa, the interned Solidarity leader, and with medium-level Solidarity activists. Mr Mieczyslaw Rakowski, the Deputy Prime Minister is due to hold talks with Mr Walesa this week after returning from Havana and, according to well informed sources, has already had one round of discussions with him.

Church sources in Cracow see two main threats to the Church position. First, the Government is trying to drive a wedge between priests and the underground movement; second, hardliners in regional party headquarters are trying to end the Church's influence in the educational system.

The first threat has led to speculation about black lists of priests to be arrested at some future date. At least one senior churchman confirmed to *The Times* last week that this list existed, though it was uncertain whether the arrests would be carried out.

The arrest and sentencing of one priest from Koszalin for slandering General Jaruzelski in a sermon is the most concrete sign of an imminent crackdown, for it shows there is no immunity for words expressed in church. A military court sentenced him to three and a half years, and senior clergy met government officials at the weekend to discuss the implications of the sentence. Another priest is said by the Government to have hidden the gun that killed a militia sergeant in a tram in Warsaw recently.

The Church is anxious not to make these cases a cause celebre. Archbishop Glemp was expected to play it down in a sermon today. Sharp Church criticism of the sentencing might provoke a full propaganda blast from the Government and encourage local party zealots to attack the clergy. The Primate has consistently warned priests not to become involved in underground activities.

The focus of church activity in the provinces has been to intervene directly to help internees and their relatives, a vital function that could be banned by the martial law authorities should they unleash an anti-church campaign.

Cardinal Franciszek Macharski of Cracow 10 days ago established a committee for the help of internees which, using voluntary donations and Western assistance, provides legal aid for those arrested, bail for political prisoners and provides relief for the families of those who have been dismissed Solidarity members.

This has been tolerated so far — Cardinal Macharski is said to have been reassured by General Jaruzelski that nothing would happen — but party zealots in Katowice near by have been ripping down crucifixes from schools and factories and sharply criticizing priests.

A course in Christian religion at the University of Slaski, Near Katowice, has been closed and the 125 students — it was one of the most popular courses — forced to change their studies. The rector and vice-rectors of the university, who allowed the course to come into being, have been interned and replaced by party members.

Between 12 and 20 priests have been interned during martial law, although most of them were released — after intervention by local bishops — within days of weeks. In the Cracow and Katowice areas two priests were interned: the Dominican monk, Father Jan Kloczowski, and Father Stanislaw Gebua of Czesochow.

Fears of a crackdown have cast shadows over two events of great symbolic importance. First, it is now possible that the Pope will postpone this visit to Poland, scheduled for August. The new possible date is in October, to mark the canonization of a Pole who displayed particular courage in the concentration camps.

The second is the christening of Mr Walesa's child, Marie Victoria, originally due to be held today in Gdansk. Mrs Danuta Walesa, contracted from Warsaw, now says that the ceremony may take place on March 21. Mr Walesa's priest, Father Henryk Jankowski is even vaguer saying that it will only take place when the Government is prepared temporarily to release Mr Walesa to attend the ceremony.

## Haig stays his hand on Mexican initiative

From Nicholas Ashford, Washington, March 7

The United States and Mexico are in agreement about the urgency of the need to find a solution to the conflict in El Salvador; but they disagree over the issue of Nicaraguan aid to the El Salvador insurgents.

This was established in two and a half hours of talks in New York yesterday between Mr Alexander Haig, the Secretary of State, and Mr Jorge Castaneda, the Mexican Foreign Minister. The two men are to have a further meeting in a week.

Most of the meeting was devoted to consideration of the Central American peace initiative which President Jose Lopez Portillo of Mexico announced last month but which so far has been largely ignored by the United States.

Mr Haig said after yesterday's talks that he had not rejected anything out of hand, which was taken as a sign that the Reagan Administration (under pressure from Congress and some of its allies) has decided to give serious consideration to the Mexican initiative.

Mr Haig pointed out that the Mexican plan failed to address the "essential and primary elements" of Nicaraguan backing for the left-wing insurgents in El Salvador, and he asked Mr Castaneda to add Nicaraguan non-intervention to the Mexican peace plan.

Mr Castaneda agreed that the question of foreign armaments in El Salvador was important but said it had to be settled in a wider context, in a system of trade-off between the United States and countries such as Cuba and Nicaragua.

The Mexican view is that the civil war in El Salvador is only one element of a general crisis in Central America and cannot be resolved in isolation. Mr Castaneda did not say what American concessions would be expected from such a trade off except that American military restraint and an end to verbal terrorism would be among them.

The main elements of President Lopez Portillo's peace initiative are a negotiated settlement for El Salvador, a non-aggression pact between the United States and Nicaragua and discussions between the United States and Cuba, Cuba and Nicaragua have welcomed the Mexican plan but the Reagan Administration has been non-committal.

However, the United States has made it clear it is opposed to a negotiated settlement in El Salvador, fearing this would overshadow a left-wing takeover. Instead, the United States is backing the elections which are due to be held on March 28. Mexican officials said they did not expect any significant change in the American position until after these elections.

San Salvador: El Salvador this weekend extended for a further month the limited state of emergency (AP and AFP report).

Meanwhile Salvadoran guerrillas have invited Mr Tip O'Neill, Speaker of the House of Representatives, and other members of Congress to visit rebel-controlled territory.

## Guatemalans go to poll

From Paul Ellman, Guatemala City, March 7

In the shadow of increasing political violence, Guatemalans today voted in elections that could either mark a first step towards a peaceful resolution of the country's problems or plunge it into a fresh, and even more profound, crisis.

The elections have been branded a "farce" by guerrillas fighting the present regime and the 48 hours which preceded the vote were marked by a series of guerrilla attacks in the capital and in rural areas.

The guerrillas also pulled off a propaganda coup by securing the publication of their manifesto in all local newspapers as a condition for the release of a kidnapped local journalist.

The manifesto was signed by the Guatemalan Labour party, which is one of four groups in the recently created guerrilla coalition, the Guatemalan National Revolutionary Union (UNRG).

Despite the continuing violence, polling in Guatemala City this morning appeared relatively brisk, although voter turnout in the past traditionally have been below 50 per cent in these capital and below 40 per cent in rural areas.

Apart from choosing among four presidential candidates, voters were also electing a new Congress and mayors of principal towns.

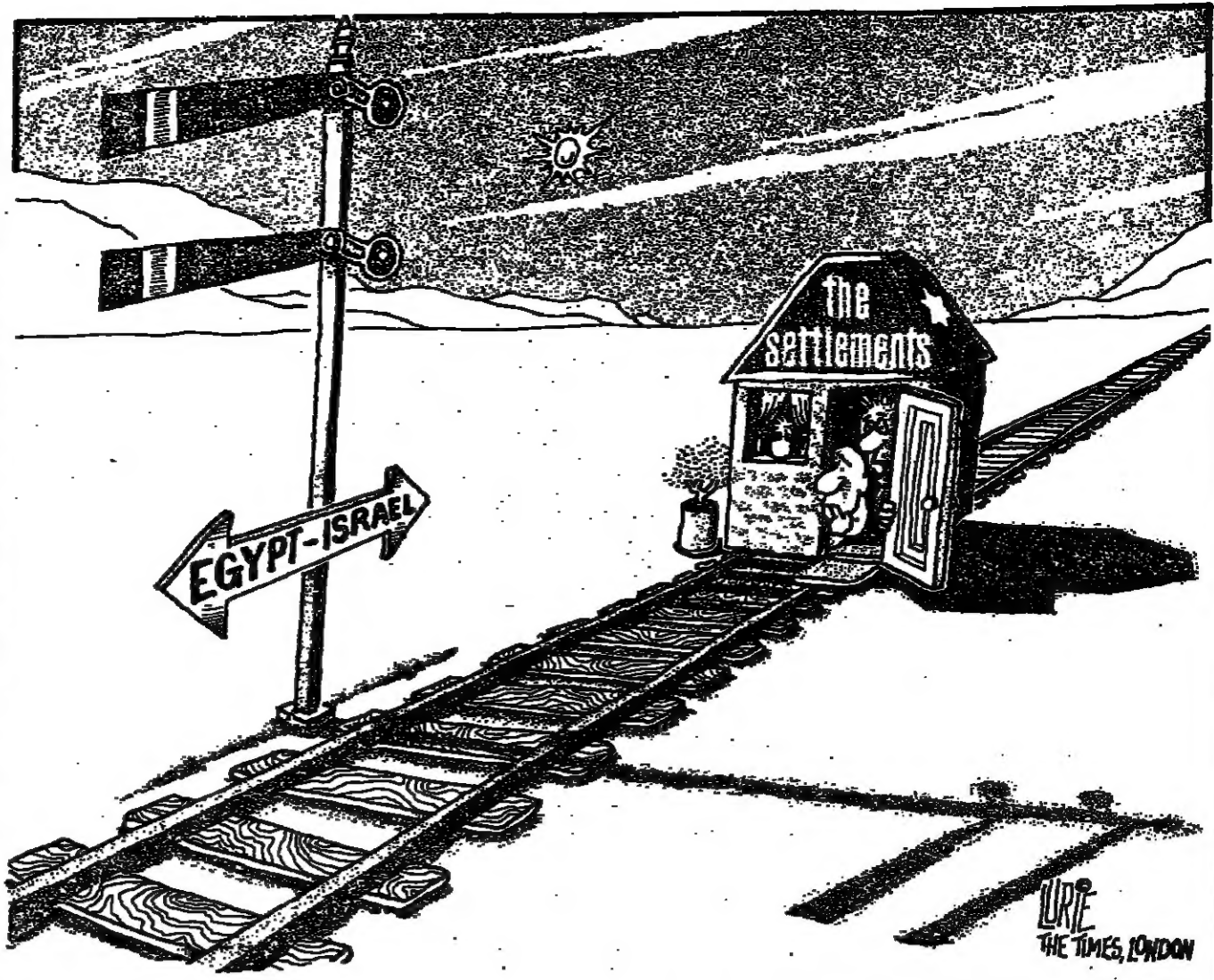
Although Guatemala has a long tradition of electoral fraud, the United States is hoping that today's poll will appear clean enough to allow President Reagan to present Congress in Washington with a request to resume military and economic aid.

American aid to Guatemala ended in 1977. Guatemalan Administration refused to bow to demands by President Carter that it halt violations of human rights. Since then violence has increased sharply, particularly against civilians who have been dying at a rate of almost 250 a month, allegedly at the hands of the Army and of "death squads" which, according to a recent report by Amnesty International, operate out of an annex to the presidential palace.

None of the four candidates seeking office in today's election has offered to negotiate with the guerrillas.

The principal contender is still regarded as General Angel Anibal Guevara, a former Defence Minister who is backed by the Army. However, partly because of United States pressure to give the elections an appearance of fairness, General Guevara's victory is no longer seen as a foregone conclusion. He has vowed that he will simultaneously eradicate the guerrillas.

Rome: The pope today called for an end to fighting in Guatemala and for "a stable and secure peace, in freedom and justice for the advantage of all in this torn country". John Earle writes.



## Nazi image knocked for sechs

From Patricia Clough, Bonn, March 7

Fears that the never-ending stream of war films, books and comics is perpetuating anti-German feeling in Britain have been allayed by a survey conducted for the West German Embassy in London.

It showed that only 12 per cent of young Britons imagined Germans were really like the sadistic SS, the evil Nazis, dimwitted camp guards or brutal soldiers of the war films. The survey, conducted by the Mori opinion research firm, was of 500 young people aged between 15 and 20. Seventy-four per cent rejected the suggestion that war films showed Germans as they really were. Another 45 per cent denied that their age-group was influenced by reminders of the war, although 39 per cent did agree. Almost half thought that young Germans had very different attitudes from their parents and another 41 per cent thought too many war films were being shown on television.

Their view of Germans was far more strongly influenced by television news and documentaries about modern Germany and by what they learnt in school than by war stories.

A large majority — 64 per cent — said they had friendly feelings towards West Germans and only 8 per cent felt ill-disposed to them. Of the latter, two thirds cited supposed faults of present-day Germans: arrogance, rudeness or unfriendliness.

## Arabs temper criticism of Mitterrand's Israel trip

From Robert Fisk, Beirut, March 7

President Mitterrand's unprecedented state visit to Israel was greeted with something less than enthusiasm by Arab leaders. They have variously interpreted the French leader's trip as a demonstration of support for Israeli policies, and as a calculated insult to the Arab cause in the Middle East.

The Syrian press claimed that the President's visit heralded "a new era of negative relations with the Arabs", and amounted to French approval of Israel's annexation of Golan.

In Kuwait, the state-run newspaper *Al Qabas* announced that Mitterrand had chosen to be "an enemy of the Arabs", and that his visit would "wipe out the fruits of the 25-year friendship between France and the Arabs".

These angry views, however, reflected irritation rather than fury on the part of Arab states, which have usually valued French mediation in the region, and which — especially in Syria's case — have strong Franco-philic sentiments.

In Jordan, and in most of the Gulf countries, Arab leaders preferred to remain silent. They are presumably anxious to discover just what leverage President Mitterrand may have obtained over the Palestinian question.

The Palestine Liberation Organization adopted the same public attitude towards Mitterrand's visit as it once did towards Egypt's rapprochement with Israel: it accused the French of being subservient to United States policies in the Middle East.

A PLO spokesman said that France had now "cancelled its claim of being a mediator in the Arab-Israeli conflict". President Mitterrand was "falling in step with the United States", Mr Farouk Kaddumi, the head of the PLO's Political Department, suggested that, if the French really wished to improve Franco-Arab relations, they should invite Mr Yasser Arafat, the PLO Chairman, for an official visit to Paris.

Only in Kuwait, which traditionally adopts a vocal, if rather too fashionable, anti-Western attitude, was Arab opinion expressed in an inmoderate manner. *Al Qabas* urged other Arab states to take "concerted action" against French interests in the Gulf.

By contrast, the Saudis gave their cautious approval to President Mitterrand's visit "if it leads to a just and brave European stand" on the Arab-Israeli conflict.

Saudi Arabia's state radio observed that Mitterrand had outdone M. Valery Giscard d'Estaing in his support for the Palestinian cause. "If the positive interpretation given to Mitterrand's trip is authentic," the radio said, "and if this leads to new and courageous European action, then the Arabs — all the Arabs — would welcome his visit to Israel".

If there appears to be confusion among the Arabs about the real motives for the French visit to Israel, this only emphasizes Arab frustration at what they regard as European political weakness in the Middle East.

Many Arab leaders feel that the EEC's Venice Declaration, which called for the PLO to be associated with the Middle East peace process, has been largely discredited by the Europeans, and that the initiative once proposed by Lord Carrington as EEC President has now been quietly forgotten.

Paris: President Mitterrand's own verdict on his visit coincides with that of French political circles, the press, and the man in the street, save where they are blinded by passion and prejudice. (Charles Harprowe writes). It is the fact that it took place at all, and that he said the same things, clearly and simply, in Jerusalem as in Riyadh that is new and important.

The President is convinced that the effect of the three days he spent in Israel will be perceptible there and in the Arab states only in the medium and long term.

Inevitably he did not go as far as the Arabs and the PLO would have wished, and he went further than the Israelis liked. He thus deliberately ran the risk of displeasing both. But the feeling in Paris is that it would be a gross exaggeration to claim that the French Government has aligned itself with Israel.

## Mills stay shut

Bombay, Textile mills in Bombay remained closed for the fortnight day as more than 250,000 workers stayed on strike in support of demands for higher pay, officials said.

## Israelis remove farm equipment from Sinai

From Moshe Brilliant, Tel Aviv, March 7

Seven weeks before the deadline for the evacuation of Sinai the Israelis today began removing the infrastructure from the prosperous desert farms they had created during their occupation.

Professor Ranan Weitz, head of the Zionist organizations settlement department, who was put in charge of the operation, said the Israelis will salvage sophisticated electronic equipment, modern packing houses and more than 100 acres of hot houses here valuable crops have been grown for European markets.

Earlier attempts to remove the equipment had been thwarted by militants opposed to the withdrawal who had squatted in farms where the work was to have been done and threatened violent resistance. Mr Ariel Sharon, the Defence Minister, had earlier refused to order troops against the militants but toughened his stand against the squatters last week and on Friday promised the dismantling teams full military protection.

Equipment was removed today without opposition from Dikla, the settlement nearest the international border. The teams will go to Talmi Yosef tomorrow and will move steadily deeper into Sinai. The equipment was transferred to new settlements in Negev and the Gaza strip.

The Yamit area in Sinai was relatively relaxed today on the eve of the Purim Feast and it was thought the army will not press in the campaign to evict trouble-makers until after the holiday.

## NEWS IN SUMMARY

### Nine killed in tanker explosion

New York. — A 44,881-ton oil tanker sank with nine of its 25 American crewmen missing, presumed dead, after an explosion about 750 miles east of Bermuda, United States Coast Guard reported.

The other crew of the United States registered Golden Dolphin, took to lifeboats and were picked up by the Swedish motor vessel Norrland. The Golden Dolphin was sailing empty from New Orleans to Port Said, the coast guard said.

The captain, who was not identified, was quoted as saying he believed that the nine missing men were killed by the explosion which was followed by a fire. "Apparently all nine were working in the tanks at the time," the Coast Guard said. The cause of the blast is not yet known.

### Smith loses another MP

Salisbury. — An eighth white MP has resigned from Zimbabwe's Republican Front because, he said, there was "something radically wrong" with the party of UDI (Stephen Taylor writes).

Mr Dennis Davis, a former chief whip and Mayor of Salisbury, announcing his decision, said: "I think I can get the ear of Government better by being an Independent than by being a member of the RF." As an Independent with the seven other rebels he would not "ridicule or denigrate the black man, as has been done in parliament by certain RF members".

### U2 flies into Mystery cloud

Topeka, Kansas. — An American U2 aircraft made three reconnaissance flights into a mysterious cloud surrounding the earth at an altitude of nearly 50,000ft NASA said.

During its six-hour mission the aircraft gathered particles from the invisible cloud which is believed to be of volcanic origin and to contain nearly a million tons of debris.

NASA said that the cloud was too big to have been kicked up by a nuclear explosion that went undetected by American seismographs. Similar clouds have been seen in the atmosphere five times during the two years after volcanic eruptions, they said, but the origin of this one remained unknown.

### Unions pledge by prosecutor

Istanbul. — The trial of 52 leaders of the left-wing confederation of progressive trade unions (Disk) will not endanger workers' rights in Turkey, Colonel Suleman Takkaci, Istanbul's chief military prosecutor said.

He is presenting the case against the Disk leaders and said that the 52 men on trial for their lives were not charged for their union activities, but for attempting to destroy the state and set up a Marxist-Leninist regime.

### Front line steps up ANC support

Maputo. — Six states in southern Africa decided to strengthen coordination of their military and economic policies in order to counter what they describe as "An undeclared war situation" provoked by South Africa.

At the end of a two-day meeting in Maputo, the presidents of Angola, Botswana, Mozambique, Tanzania, Zambia and Zimbabwe, and the Prime Minister of Zimbabwe, issued a communiqué which promised increased support for the African National Congress (ANC) of South Africa, so that the nationalist movement could "intensify the armed struggle for the attainment of national independence".

### White birth rate falls in S Africa

Johannesburg. — The birthrate of South Africa's white population is falling, mainly because Afrikaners are abandoning the concept of the large family. According to statistics published by the Human Sciences Research Council the white birthrate has dropped from 23.2 per thousand in 1970 to 17 per thousand in 1977.

### Karamanlis cuts short Indian visit

Delhi. — President Konstantinos Karamanlis of Greece cut short his visit to Madras and left for Singapore en route to Sydney a day early, reports said. Before his departure, a statement said that Mr Karamanlis had to shorten his visit to India for "strictly technical reasons".

### Women gain time

Islamabad. — The Afghan Government granted 18 months' remission to women serving prison terms, Kabul radio, monitored here, said. The decision has been taken on the eve of International Women's Day.



Chinese checker: A Peking policeman stops a young cyclist and fines him one yuan (30 pence) for having no bell on his bicycle.

## Hunters begin killing seal pups

Cap-aux-Meules, Quebec, March 7. — Canada's controversial seal pup hunt has begun with a hunt in the west-northwest of the Magdalen Islands, with one observer putting the first day's kill at a possible 400 to 600 pups.

Fisheries Department marine biologist, who flew over the herd yesterday, said he estimated that there were 50,000 pups in the very large herd, covering an area 20 miles long and 60 miles wide.

He said he estimated that up to 60 per cent of the cow seals in the herd were pregnant and none of the pups already born was more than four days old. The biologist said the coats are at their best for commercial fur after the pups are five days old.

The Greenpeace environmental group's ship, Rainbow Warrior, was approaching the seal hunt area to protest against the hunt, which began yesterday, but its progress was slow because of thick ice and high winds.

The hunt is also being observed by representatives of the World Society for Animal Protection from London and Boston. It began officially last week but its start was delayed until yesterday by bad weather and difficulties in locating a herd.

The Canadian authorities have issued a number of permits allowing some members of the protest group on the ice during the kill (Sally Macmillan writes from Charlottetown, Prince Edward Island).

Protest aircraft, however, have been banned from flying below 2,000 ft during the hunt and shipping vessels have been ordered to stop at least half a mile away from the site of the kill — an icebound area about 65 nautical miles north-east of the Quebec-owned Magdalen Islands.

Greenpeace Foundation protesters, however, hope to launch at least one hovercraft on to the ice with the aim of thwarting some of the hunters and as a means of avoiding arrest.

## IRAQ AND US ACCUSED OF SABOTAGE

Damascus, March 7. — President Assad of Syria was carried through the streets of Damascus on the shoulders of his supporters today after a speech in which he accused Iraq and the United States of encouraging murder and sabotage in Syria.

Tens of thousands of Syrians turned out to hear the President speak from the balcony of the capital's guest palace and then marched with him in a procession to the People's Assembly (Parliament).

In his speech celebrating the anniversary of the 1963 revolution which brought the ruling Baath Party to power, President Assad said Iraq had smuggled arms and explosives with help from the American Central Intelligence Agency to the Muslim Brotherhood in the Syrian town of Hama.

The Brotherhood staged a bloody revolt in the town last month.

## BAGHDAD PEACE MISSION

Beirut, March 7. — An Islamic peace mission arrived in Baghdad today as part of a new round of diplomatic efforts to try to end the Iran-Iraq war, now in its eighteenth month.

The official Iraqi news agency said the five-member delegation led by President Ahmed Sekou Toure of Guinea was greeted on arrival by President Saddam Hussein of Iraq. The agency said the delegation would have talks with Iraqi officials before returning to Jiddah to report to a peace committee of the 40-member Islamic Conference Organization.

In Riyadh, Crown Prince Fahd held a meeting with Mr Yasser Arafat, chairman of the Palestine Liberation Organization, and one of the nine members of the organization's peace committee, the Saudi press agency reported. — Reuter.

Handwritten Arabic text: "سكوت في الامم"



US IN  
MARYkilled  
anker  
osionA 44,881-ton  
k with nine of  
ican crewmen  
assumed dead.  
sion about 750  
of Bermuda  
Coast Guardcrew of the  
es registered  
hin, took to  
were picked up  
h motor vessel  
e Golden Dole  
ong empty from  
o Port Said, the  
id., who was not  
quoted as  
ieved that the  
men were killed  
ion which was  
a fire. "Appar-  
were working  
t the time", he  
said. The cause  
not yet known.oses  
MPAn eighth  
s resigned from  
Republican  
e, he said, there  
thing radically  
the party of  
Taylor writes.  
is Diwanis, a  
whip and Mayor  
announcing his  
l: "I think I can  
of Government  
ing an Indepen-  
being a member  
As an Indepen-  
seven other  
did not "ridicule  
the black man,  
done in parlia-  
ertain RF mem-s into  
y cloudKansas — An  
2 aircraft made  
naissance flash  
sterious cloud  
the earth at an  
nearly 30,000ftsix-hour mission  
gathered par-  
the invisible cloud  
alived to be of  
in and to contain  
million tons ofd that the cloud  
to have been  
by a nuclear  
hat went under-  
merican vesmo-  
lar cloud have  
n the atmosphere  
during the two  
volcanic erup-  
said, but the  
is one remaineds pledge  
secutorThe trial of 52  
the following  
on of progressive  
is (Dish) will not  
workers' rights in  
Colonel Suleiman  
Istanbul, chief  
secutor said  
presenting the case  
Dish leaders and  
the 52 men on trial  
lives were not  
or their union  
out for "contem-  
proud the state and  
Marxist Leninistline steps  
IC supportSix states in  
Africa decided to  
coordination of  
ary and economic  
order to counter  
describe as "a  
war situation"  
y South Africa  
end of a two-day  
in Algeria, the  
Angola, Bot-  
zambique, Tanza-  
nia, Zimbabwe, and the  
ister of Zimbabwe  
ommunicate which  
increased support  
Africa of South  
(ANC) of South  
that the national  
could continue  
struggle for the  
of national inde-birth rate  
S AfricaThe  
of South Africa  
ulation is falling  
because of the  
coming the econ-  
ge family. Accord-  
istics published by  
man Sciences Re-  
lanced the white  
has dropped from  
hundred in 1970 to  
usand in 1977.nits cuts  
adian visitPresident Constant-  
manitis of Greece  
his visit to Madrid  
ter, Singapore, en-  
Sydney a day earlier,  
said. Before his  
a statement, he  
Karamanlis had to  
his visit to India for  
technical reasons.

a gain time

The Afghan  
ad. — The Afghan  
granted 15  
mission to Kabul  
person terms. Kabul  
monitored here. Taken  
has been taken  
ve of international  
Day.

5 JOHN STREET, IPSWICH, SUFFOLK.

هكذا من الاجل

Director of Personnel,  
Hambros Bank Ltd.,  
41 Bishopsgate,  
London EC2.

January 1st, 1982.

Dear Sir,

I believe I have the qualities required to make a good  
merchant banker.

5 JOHN STREET, IPSWICH, SUFFOLK.

Recruitment Manager,  
Whitbread & Co. Ltd.,  
The Brewery,  
Chiswell Street,  
London EC1.

February 1st, 1982.

Dear Sir,

I believe I have the qualities required to make a good  
product manager.

5 JOHN STREET, IPSWICH, SUFFOLK.

Personnel Director,  
Collett, Dickenson, Pearce & Partners Ltd.,  
110 Euston Road,  
London NW1.

March 1st, 1982.

Dear Sir,

I believe I have the qualities required to make a good  
advertising executive.

5 JOHN STREET, IPSWICH, SUFFOLK.

Major John Floyd,  
Army Officer Entry,  
Lansdowne House,  
Berkeley Square,  
London W1.

August 1st, 1982.

Dear Sir,

I believe I have the qualities required to make a good  
army officer.

# One letter we'd rather not get.

We don't expect to be first on everyone's shopping list.

After all, we're looking for the brightest young people in the country.

And this puts us in competition with commerce, industry, the civil service and the professions.

But please don't write to us as a last resort. If you do, you're most unlikely to be the man we want. Because commitment is essential in an Army Officer.

Indeed, the sooner you apply the better, because it's going to take us both some time to be sure that we're suited to each other.

First, you'll need to know what the job entails. You may well have some preconceptions which are no longer accurate.

Perhaps your father did National Service; and, commissioned or not, he may have even enjoyed it.

But the Army you'll join is very different from his.

The people in it are all volunteers: well motivated, intelligent and self-reliant.

To quote German General Gert Schmückle, recent Deputy Supreme Allied Commander: "If all the members of NATO could muster the professionalism, verve and tireless enthusiasm displayed by the British Army, the citizens of Free Europe would have little to worry about in the defence of their countries."

The Army's technology has also taken a great leap forward. To the extent that a degree can now be a considerable help.

This year, 40% of our new officers will be graduates. Some before they join us, others with the help of Army Cadetships and Bursaries.

Write to Major John Floyd, Army Officer Entry, Dept. B 3, Lansdowne House, Berkeley Square, London W1X 6AA, and he'll tell you more about the Army, about its many Corps and Regiments, and about the different types of Commission.

He'll need to know your date of birth, your educational qualifications, and why you want to join us.

Then comes the hard part.

Selected candidates spend three and a half days at Westbury in Wiltshire with the Regular Commissions Board.

Here, we judge whether you have the mind, body and spirit to make a leader.

We'll brief you well beforehand and tell you how to prepare, because we want you to pass.

But the standard is necessarily high. Because when you're commissioned you'll be responsible for the lives and well-being of those under your command.

If you fail our interview, there is one consolation: you'll find the others much easier to take.



## Army Officer



# Legal, decent but can he be more truthful?

Budget purdah — the security regime that once a year turns Treasury mandarins into novice Trappists — has special uses for Chancellors. In the weeks before the Budget more people have audiences with Sir Geoffrey Howe than at any other time. At no time, however, do fewer hear him and more misunderstand the lawyer who for seven years has been the front-man for Mrs Thatcher's economic policy.

Since before Christmas Sir Geoffrey has been receiving embassies from beleaguered industrialists and MPs. They come bringing finely wrought offerings from the think-tanks of the CBI and the TUC, predictable platitudes from the boardrooms of brewers. They make impassioned pleas for expansion, backed by pie charts of unemployment and squeals for more profits. The Chancellor just sits at the end of the table, twists his fingers where once he would have held a cigarette, and says nothing.

Purdah not only protects Budget secrets, it means that even the most unprepossessing incumbent of No 11 Downing Street can be silently impressive to people to whom he does not want to talk anyway. As one industrialist petitioner put it last week: "It is like appearing before one of the not-so-great Mogul emperors. Because he says so little, everyone goes away feeling he has beaten Howe in the argument. Of course, when the Budget turns out badly we'll probably end up feeling as though we've been stamped upon by the imperial elephant."

That was precisely what happened last year. The lobbyists, the press and sympathetic ministers, thought they had won "a Budget for industry". Instead there came from the Chancellor's battered bag a £3,000m dose of deflation. To avoid a repeat performance tomorrow, the Prime Minister, two weeks ago, made her now-famous "Ulysses" speech, warning that expectations of the Budget were too high and that her Government would "resist the siren voices".

Whatever Sir Geoffrey's petitioners may like to think, the simple fact is that the Chancellor had already won his big battles on the economy before he met any of them. All that was left to fight were a few skirmishes over marginal land. As a Conservative backbencher put it — somewhat more astutely than the industrialist: "It's only by trying to lobby Sir Geoffrey Howe that you realise why Latin has the vocative of *mens*: it was just like talking to a table."

There is, however, one important difference between tomorrow's Budget and last year's: tomorrow's is one year nearer to the next election. In that respect the Prime Minister's "Ulysses" speech could turn out to have more than just a short-term impact on the Chancellor's personal fortunes. Having assured herself that the battle over the policy has been won, Mrs Thatcher has decided to enter the growing fray over how that policy should be presented to the electorate.

Is it best to emphasize the Government's courage and constancy, to look backwards to the last manifesto, to mandate the Medium Term Financial Strategy? Should the Chancellor continue to send his Treasury incursions off on a Hoovering around Whitehall for every speck of evidence that

we are bottoming out of our recession? Or might it be better to follow the line of Francis Pym, Lord Hailsham and many of her own advisers, who warn that thwarted hopes are a greater electoral threat than the recession itself?

Could she not find a new occupant for Number 11, Downing Street who, without worrying the financial markets that there had been a change of policy, might present that policy in a brighter light?

Mrs Thatcher will certainly be cautious of the very idea of a change — not least because she knows that about half the calls for a new Chancellor come from colleagues who are opposed to the policy itself. She knows Sir Geoffrey well. Of all the Cabinet, he is the most doggedly loyal. He has the detailed, backward-looking mind of the successful lawyer that he once was and he is as politically dominated by her as any Chancellor since Anthony Barber, also a lawyer, served Edward Heath.

She is also very fond of him. He shares her own provincial middle-class background and indeed has stayed somewhat closer to the world of Port Talbot than she has to Grantham. His family — as all profiles will tell you in almost

the same words — has a tradition of liberal politics and his grandfather was a pioneer of the tinplate workers' union. He also shares her stubbornness, her dedication, her capacity for hard work and lack of sleep.

But the umbilical cord between them is both help and hindrance to the Chancellor's effectiveness in Whitehall. There is an undeniable sense in which he is her junior minister. Rather than take a difficult decision himself, he will often refine the options from which she can choose. He is particularly prone to doubt in dealings with the Bank of England and its governor, Gordon Richardson. The Prime Minister enjoys putting down Richardson on issues of interest rates and money supply control. "The Chancellor", as one City

**Should the Chancellor send his information officers Hoovering around Whitehall for every speck of evidence that we are bottoming out of our recession?**

observer put it, "is to the Governor as the rabbit to the stoat. He sometimes doesn't even have the strength to run to the safety of his own civil servants". Among those civil servants he inspires the loyalty, if not perhaps the enthusiasm, which they had for the more independent and forceful Denis Healey. There is a great mystique in the Treasury about what is called with deliberate overemphasis "understanding the policy". Some curious bedfellows are



which they at least could grapple. Arguing with Howe, while not always like talking to a table, is often like tangling with a ghost.

Some monetarists, on the other hand, see Howe's policy stance as unnecessarily inflexible. They argue that a man with an intuitive feel for monetarism could have relaxed his targets to take account of the unexpectedly deep recession. Moreover, he could have done so while actually strengthening the confidence of the financial markets that he was sticking to his guns.

In a curious way, the Chancellor's dilemma over presenting his monetary policy closely mirrors the dilemma of presenting the real economy. The monetary targets are in almost as bad a state as the employment figures. What should one do? Change the target from sterling M3 to something else, admit one's mistakes, keep the rate of planned increase low and hope still to be able to consolidate the decline in our expectations?

Or should the Chancellor press on regardless, sticking to sterling M3, sticking close to the original Medium Term Financial Strategy figures, and putting on an unchanged face to a public which mostly

nel. After a week in which senior ministers — mostly for less than loyal reasons — had predicted a gloomy future picture, Mrs Thatcher felt compelled to choose the "crumbs of comfort" speech. But it was a close thing.

Last month Francis Pym followed his gloomy speech at the party conference with another prediction of continuing falling living standards and need to lower expectations. First reaction from the Chancellor and the Prime Minister was one of horror. The more considered reaction of Mrs Thatcher, at least, was that it had some good points about the way the next election might be fought. With three million unemployed and likely to remain so, perhaps the easy cynicism of the Macmillan-to-Callaghan years was no longer an option. Then came her "Ulysses" speech and some tough questioning about whether Sir Geoffrey Howe was the right man to start learning the new tune.

It is a finely balanced question for her to answer. The Chancellor has no significant personal following in Parliament or party but he plays an important personal role in maintaining the confidence of the City. He is no great orator but then his current key tenet — "maintaining steady but not excessive downward pressure on monetary aggregates" — might have tried the mind of Edmund Burke.

And who would replace him? Defence Secretary John Nott is probably first choice. He certainly "understands the policy" and would sell it with more freshness and vigour. But he is considered less "sound" than Sir Geoffrey and is currently under a small Downing Street cloud for his failures to control defence spending. Patrick Jenkin is often mentioned as a runner but is considered to be doing well at industry and unready for a new move. Nigel Lawson — increasingly seen as the Suslov of Mrs Thatcher's regime — could be promoted only over the dead body of Mr Whitelaw. The Chief Treasury Secretary, Leon Brittan, has almost all the disadvantages of Howe except that he is at least a new face.

A new face could in the end turn out to be enough. Tory strategists still remember what they call the "Healey factor" at the last election — the way they were able to taunt Denis Healey even after two years of virtual monetarism with all the excesses of his earlier years as Chancellor. Many of them would argue that cloning Sir Geoffrey Howe with Mr Brittan is a solution to suit all worlds.

The consensus is still, however, that Sir Geoffrey will end up the survivor — albeit encouraged to approach next year's Budget with a fresher act around the hustings. The Chancellor of the Exchequer is not only a maker of government economic policy but its living advertisement, its sandwich-board man. Most Conservatives — and most electors — would probably agree that Sir Geoffrey Howe reaches the required standard of being "legal, decent and honest", when it comes to all that talk about "bottoming out", they would just like him to be a bit more "truthful".

Peter Stothard

## US challenges treaty on seabed resources

From Our Correspondent, New York, March 7

A treasure trove of strategic raw materials including thousands of millions of tons of potato-shaped nodules rich in manganese, nickel, copper and cobalt lying on the ocean floor — has been declared the common heritage of mankind by the third United Nations conference, which resumes its extended negotiations at the United Nations tomorrow.

For the past seven years 150 rich and poor nations have been negotiating a draft treaty which would set new territorial limits, establish rules for passage through straits and seas, and create a regime to govern the exploration and recovery of seabed resources beyond national jurisdiction.

Ocean mining involves the commercial recovery of metal-bearing nodules found on the world's seabeds. Primary commercial interest is in those nodules deposited in three to five miles of water. These deep seabeds, which constitute about half of the earth's surface, offer a potentially increased supply of minerals important to the national economies and defence of the United States, Japan, the Soviet Union, China, and even land-locked nations.

The Law of the Sea conference was on the verge of completing a treaty last year. It had drafted a text totalling 175 pages in 17 parts with 320 articles and eight annexes. It had reached agreement on such crucial issues as 12-mile territorial limits, 200 mile economic zones, and navigational

Then last March President Reagan's new conservative administration shocked and angered the developing nations by practically withdrawing from the negotiations.

The administration argued that main elements in the draft were against United States national, defence and mining interests, and it wanted to take stock of the complex negotiations. Many developing nations were pitted against each other in a classic bureaucratic struggle for control of East-West policy.

The high-level debate over the pipeline, seen here as a symbol of Soviet exploitation of East-West détente, is accelerating a deepening mood of isolationism in Congress.

The United States believes the pipeline will not only make Western Europe too dependent on the Soviet Union for energy and therefore open to Soviet blackmail, but the \$10,000m (about £5,000m) or more that the Russians will earn in hard currency from selling the gas will enable Moscow to devote more money to its arms buildup.

Taken together, these developments and European anger at American attempts to halt the pipeline, threaten further damage to the already strained Western alliance. This is why the United States delegation, led by Mr James Buckley, Under-Secretary of State for Security Assistance, has a difficult and delicate mission when it arrives on Saturday for talks with senior European officials.

## Soviet pipeline controversy

### Cold war lobby grows in Congress

From Nicholas Ashford and Bailey Morris, Washington, March 7

The Reagan Administration is wading a difficult path as it reopens discussions with Europe this week on the Siberian gas pipeline, and possible further economic sanctions against the Soviet Union.

The task is made more difficult in the light of the belief of senior Reagan officials that the pipeline decision has already been resolved in favour of the moderates led by Mr Alexander Haig, the Secretary of State, and against the hardliners led by Mr Casper Weinberger, the Defence Secretary.

Even though the Administration insists publicly that no final decision has been taken, senior officials say the very fact that Mr Reagan delayed tougher action on the pipeline indicates that Mr Haig has won an important battle.

The issue was debated at length during a session of the National Security Council last week. At this meeting Mr Weinberger, supported by senior National Security Council officials, argued in favour of a tougher approach, calling for a ban on foreign subsidiaries of American firms from supplying vital equipment for the pipeline.

He particularly wanted to stop British, German and Italian subsidiaries of General Electric delivering turbines and compressors worth more than \$1,000m.

According to a Pentagon official such a ban would delay completion of the

pipeline by more than two years and would raise the cost so much that it would make the project appear much less attractive to participating European nations.

However, Mr Haig, while also opposing the pipeline, argued that it was not worth alienating Europe to the extent of causing permanent damage to the Western alliance; to do so would be to play into the Russians' hands.

"There is no point in pressing the alliance on the pipeline issue to the point where it cracks Western unity", Mr Robert Hormats, Assistant Secretary for Economic Affairs, said.

According to a official source the Administration is not likely to take further action on the pipeline as long as the European allies agree to a more effective common policy on security and energy matters.

Options to be discussed by the Buckley delegation include a renewed grain embargo against the Soviet Union, although this is not thought likely, in addition to other less important trade sanctions which remain a possibility.

In particular, the United States will press the Europeans to join in imposing tough credit restrictions against the Soviet Union.

Lawson does. As one official once put it, "Sir Geoffrey is like a top-flight orchestral musician who plays Mozart understands Mozart — but not quite in the way Mozart understands Mozart".

The result, according to both left and right wing opponents, is that he is very difficult to deal with. Labour politicians would rather debate with Lawson who, when he was Financial Secretary before moving over to Energy, projected a passionate commitment with

soft, government-backed loans to the Soviet Union — such as the \$100m recently announced by France — West European banks and governments were effectively helping to shore up the ailing economies of the Soviet Union and its allies.

Western credit restrictions — such as a refusal to refinance some \$4,000m in commercial loans or ending of government guarantees for short-term trade credits — would create severe financial problems for the Soviet bloc.

Whatever face-saving action is eventually decided, the Administration is aware that the pipeline issue has become an important symbol of American resolve for conservatives in Congress.

Influential voices have already been raised in the Senate, including that of Senator Ted Stevens, the Republican whip, suggesting that the United States should withdraw some of its troops from Europe if the pipeline goes ahead.

## Indonesian bible gets Malay ban

From M. G. G. Pillai, Kuala Lumpur, March 7

The Malaysian Government has banned the Alkitab, the Indonesian translation of the Bible because it contains references to Allah. The Home Ministry says this is against the teachings of Islam. Any church or individual found in possession of the Alkitab is liable to penalties which include imprisonment.

The problem arises because the Indonesians do not distinguish between Allah and Tuhan, as the Malaysians do, for the Muslim and non-Muslim God.

The Malaysians insist that the proscribed book cannot be the Bible, but priests from both the Protestant and Catholic churches say that they use the Alkitab as the Bible in their regular Malay language services, and have done so for more than a decade.

The Alkitab is a direct translation from the New Testament in Greek and the Old Testament in Hebrew, and is published under the direction of the Supreme Council of Indonesian Churches.

The ban has now become a sensitive political issue, in view of the forthcoming elections. The Government's dilemma stems from the need to encourage the national language, while controlling the spread of Christianity among the Muslim population. Under both the Malaysian constitution and local practice, Muslims cannot be converted to other faiths. The churches themselves are treading very carefully.

## Ugandans accept UK troops

From Charles Harrison, Nairobi, March 7

The Ugandan Government has agreed on terms and conditions for a 36-man Commonwealth military training team, after at first rejecting proposals put forward by the Commonwealth Secretary-General. The first members of the team, including Colonel Clavering, its British commander, arrived here this weekend en route to Kampala.

Mr Paulo Muvunga, the Ugandan vice-president and defence minister, said earlier that Uganda would not agree to give the team diplomatic status, but this weekend he said matters had now been settled to Uganda's satisfaction.

The team, including a contingent from Britain, is to work at Jinja barracks, 50 miles east of Kampala, the original base of the Uganda battalion of the King's African Rifles before Uganda achieved independence in 1962.

The Commonwealth responded to a Ugandan request for the training team to improve discipline and efficiency in the Ugandan army, which has frequently been accused of robbing and killing civilians.

Last week the Roman Catholic Archbishop of Uganda, Cardinal Emmanuel Nsubuga, made a strong protest after armed soldiers entered his cathedral in Kampala during mass and forced out priests and congregation. The soldiers were searching for arms after a guerrilla attack in Kampala during which mortars were fired from near the cathedral.

سكوت من الاصل













P.O. Box 7, 200 Gray's Inn Road, London WC1X 8EZ. Telephone: 01-837 1234

## TRIDENT'S FOURTH DIMENSION

The Cabinet will very shortly be asked to approve a recommendation from the Defence Secretary, Mr. John Nott, that Britain should buy the Trident-D5 nuclear ballistic missile to maintain Britain's independent nuclear deterrent into the twenty-first century. This is a profoundly important decision.

The D-5 missile, which President Reagan has decided will be introduced in the early 1990s, is significantly different from the Trident-C4 which Britain had already decided to buy but which will not now be made in the United States after 1984. It has nearly double the range, meaning that submarines carrying it have a bigger area of the world's water in which to hide. It is more accurate. It will have up to 14 warheads by comparison with the eight in the C-4 and three in the Polaris. It requires, therefore, a much bigger submarine, large as 16,750 tons, displacement by comparison with the submarine of 10,120 tons. The displacement required to carry C-4s is naturally the D-5 is more expensive. The current guesses, whose implications are discussed in an article on the facing page, are that over 15 years Britain will have to spend at least £7.9 billion in acquiring the missile, building four submarines, manufacturing the warheads, and supporting the Trident force.

But a decision on D-5 does more than merely inflate the moral, military and economic arguments about Britain's independent nuclear deterrent. It adds a fourth dimension, and this lies in the unique political vulnerability of a choice for D-5 when it is made by a Government in mid-term in the absence of any approaching a political consensus on what, if anything, should succeed Britain's Polaris-Chevaline.

Eight postwar Governments have maintained the British deterrent with at least acquiescence from the official Opposition. The Harold Wilson who opposed Sir Alec Douglas-Home on the issue in

the 1964 election campaign was the same Mr. Wilson who pushed through the secret Chevaline warhead programme in the mid 1970s. But today Labour threatens to scrap all nuclear weapons in a gesture of woolly unilateralism, and neither the Social Democrats nor Liberals favour Trident and certainly not Trident D-5. There is more, than the makings of an expensive muddle here. There is a threat to the continuity of fundamental defence policy and Britain's security into the next century.

The Times supported the Government's original decision to buy Trident C-4 on many grounds. There seems to us no piety in sheltering behind an American bomb, no common prudence in presuming on American protection for the next 40 years in all sorts of unimaginable circumstances, and no wisdom in giving up the deterrent without any trade off from the Soviet Union. The arguments for a submarine-based missile are overwhelming and the cost of C-4, though high, is no greater than that of 200 tanks. The Soviet Union with 50,000 tanks is not going to be deterred by our adding to our 650 with another 200 or so. The cruise missile, which is canvassed as an alternative, is not a strategic weapon and Polaris — Chevaline option is vulnerable to developments in Soviet defensive systems.

The Trident is arguably a bigger deterrent than we need but again it is a very serious prospect to take the risk that at some future date we might be faced with the extinction of these islands when in return we might only be able to threaten a few cities. The prospect is horrible, of course, but that is the strategy of deterrence and it has kept the peace for nearly 40 years. Most of these arguments support D-5 as well as C-4, but the case has to be made for it and it is crucially in the national interest that it wins wide support. It has to be demonstrated that continuing with C-4 will in the end cost

us not less but more money because we would be supporting a unique system. The argument that we benefit by what is called commonality with the Americans is persuasive. Our Chevaline programme originally estimated at £250 million has ended up costing us a billion or more.

But the evidence for D-5 in terms of economics will have to be more than anecdotal. And the costs have to be clearly spelled out. Our record in building our own submarines is good and the American record on building missile systems on time and on cost is good. But we must have a bargain basement price with as few percentage costs as it is possible to negotiate.

If the case for D-5 on cost can be proved — and it will be proved if it does emerge as only 3 per cent of our defence budget or 6 per cent of our equipment budget — then the ground shifts. Choosing C-4 spends money a lot sooner than D-5. By that of the next election only £75 million will have been spent on D-5. And here is the heart of the political dilemma. A new government would find it hard to escape the C-4 commitment and justify wasting the many millions more that would have been spent on C-4. But a new Government might well be tempted to write off or fudge £75 million on an as yet un-built D-5 system. To go for C-4 new on these grounds is political defeatism and it is economically questionable. This is why the Government must try to enlarge the political base for its militarily sensible choice of D-5. It will never win the unilateralist left but it must win the hard centre. A fait accompli reduces the hopes for that. Mrs Thatcher may in the end have to go it alone politically but she would be well advised to issue a full defence summary on Trident at the earliest opportunity so that there is at least a chance of an emerging consensus on an issue fundamental to the generation to come.

July, before their spring Budget had reached Royal Assent as a Finance Act, and then bringing in another supplementary in the autumn. Second-thought budgets became a penny, not least under Mr. Healey.

Yet at Westminster the spring Budget day has always kept its special place. The late Sir Gerald Nabarro, more a showman than a Commons traditionalist, was (I think) the last backbencher to observe the Victorian custom of appearing in the House for the occasion wearing top hat and morning coat, with a fine flower in the buttonhole. Nevertheless, even in the most formal of days, everybody in the chamber and in the crowded galleries treated Budget day with a special Gladstonian awe, because they felt themselves to be in top hat circumstances. In a sense they still do, beneath the casual clothes. At the least, it is always a government showpiece.

Chancellors of the Exchequer have always had the chance to act up to catch the atmosphere. "Rab" Butler may be taken as an example. William Armstrong, one of the Treasury's Budget team, once told me that he and his colleagues stood appalled to see "Rab" at his desk slicing the air, exultantly, them pasting down the strips into a different order, fracturing the Treasury's sense of logic. The civil servants protested. "What you don't know and I do," Butler said in effect, "is that the House of Commons on Budget day is a Let civil servants stick to their business and be, as politicians, would stick to his. Every Budget has a 'Rab' — that is, political — element in it.

Reggie Maudling, as Chancellor, characteristically broke with a hallowed tradition. On the day of the Chancellor, rising from his seat at 3.30 pm, must say something to influence the City while it works, a Budget speech has usually left fiscal changes to

other religious beliefs and practices and to challenge those with no particular faith to explore the possibility of a spiritual dimension to life. Your readers may be interested to know that in addition to Christian acts of worship, a *dharmic* festival was held last term. A festive education in the school is concerned with Christianity and the other major religions of the world and with the moral and social issues within society that affect all of us, irrespective of cultural diversity.

I believe the new Church of England school in Ealing will, like the other church schools in which I have served, make a significant contribution towards fulfilling one of its declared aims, which is "to bring about greater understanding between people of different social backgrounds, ethnic origins and religious persuasions."

Yours faithfully,  
KENNETH REEVES,  
Headmaster,  
Twyford Church of England High School,  
Twyford Crescent,  
Acton W3.  
March 3.

## Budget choices: the case for a 'significant' expansion

From Sir Ian Gilmour, MP for Chesham and Amersham (Conservative)

Sir, In his article "Sir Ian's cynical prescription for surrender" (March 6), my parliamentary colleague Stephen Hastings makes a number of unargued assertions: my proposals for the economy are "clearly designed as expedients... to win general elections"; I believe "all that is necessary is to interpret the wishes of the electors and appear to follow them"; "it is not really economics which guide" me, etc. etc. According to Mr Hastings, I "hide" behind "the predictions of the Treasury model based on stupid assumptions which I have fed into it — 'garbage in, garbage out'," he says. Mr Hastings also suggests that I regard much of what has recently happened to the British economy as inevitable.

I do not regard the recent unprecedented rate of decline in the British economy as at all inevitable. The policy I propose stems not from a cynical calculation about electoral prospects but from dismay at the consequences of the policies followed up till now and near-despair at the prospects for the country if they are not changed before long.

I made it clear in my article in *The Daily Telegraph* from which this article is quoted that the British people's attitude to the economy seemed to me to be right. Like you, Sir, in your two recent leading articles (February 25 and March 6) on the forthcoming Budget, Stephen Hastings did not think unemployment worthy of even a passing mention.

The electors, in contrast, seem to believe according to the opinion polls that the present very high level of unemployment is unnecessary and intolerable. In this they are, I believe, wiser than either you or Mr Hastings. But my view that with three million unemployed there should be a significant but initially moderate fiscal stimulus does not depend in any way on the Treasury model. I have only used that model to show that my proposals would benefit output, jobs and prices, even if the economy were as bad as the Treasury believes it is.

Contrary to Mr Hastings's belief, the extent to which people buy government stock when there is a budget deficit is not something which I fed into the Treasury model but something which that model predicts — based, let us hope, on a careful analysis of past experience.

I do indeed believe that the Government would not have to raise interest rates if a more expansionary fiscal policy caused public borrowing to be higher. The money supply would be higher than otherwise, but that would be the natural concomitant of there being more national income: the very thing I am trying to achieve.

The idea that inflation is determined by changes in the money supply can no longer be seriously defended. The rate of price increases is, I believe, determined by world commodity

prices, by wage costs, and by the Government's own policy particularly on indirect taxation and the prices nationalised industries have to charge. This view is confirmed, not confused, as Mr Hastings would have us believe, by the 1973 experience. Does Stephen Hastings really believe that the 1974-5 inflation had nothing to do with the increase in the price of oil and other commodities, nor with the threshold scheme which by an extraordinary piece of ill luck magnified both the scale and the speed of the response of wages to those events?

The Treasury model gave what I believe to be the correct answer: that fiscal expansion based on cutting taxes on industry combined with lower interest rates would result in less inflation not more, even though the money supply was slightly increased.

Stephen Hastings does not seem to rely on any careful examination of the evidence. He bases his argument not on facts but on random allegations from the Treasury which are in turn supported by an improbable mixture of faith, hope and dubious history. If I may adopt his graphic phraseology, it is not a case with his views of "garbage in, garbage out," but of "garbage in, garbage out."

I am, Sir, your obedient servant,  
IAN GILMOUR,  
House of Commons.  
March 7.

From Lord Carr of Hadley

Sir, One of the most imaginative measures now under discussion to revitalise British industry as it climbs slowly out of recession must be the Government's new training initiative. A better trained, motivated and adaptable young workforce can only help to improve industry's ability to compete, which, it is now generally agreed across the political spectrum, is at the heart of our current problems.

Rightly, in my view, the employers' organisations have given their wholehearted support to the initiative. The scheme has been described as a tremendous challenge to employers and one which must have their support if, as we hope, every young person in Britain eventually is to have the opportunity for proper preparation for work.

How are business and industry expected to give the full support which the scheme deserves when their profitability is so low and when there is so little sign of any real improvement? On present Government policies output will grow only slowly from a low level, with GDP up by about 1 per cent in 1982. How much value can be obtained from the better trained people we would all like to see when there isn't enough activity in the economy to employ them? Surely Government policies must be seen to be advanced in harness with a modest and sensible increase in business activity encouraged through the Budget and some of this benefit

channelled into new training. A virtuous circle, as one might say? Yours faithfully,  
ROBERT CARR,  
House of Lords.

From Mr J. H. Hooper

Sir, I have read the recent correspondence in *The Times* concerning the wish to cut income tax, and the urgent need to revive manufacturing industry. I believe that there are many who have not yet been made aware of the plight of much of the engineering manufacturing base in this country, the survival of which is critical to the future prosperity of the country.

It is true that we would all like to see income tax reduced and this would obviously have some demand effect upon industry, but this is not the priority. The burdens which have weighed most heavily upon manufacturing industry have been the prolonged high interest rates, leading to heavy stockpiling and escalating manufacturing costs, together with the subsequent effect upon the sterling exchange rate.

It does not appear to be generally known that the gross effect of wage inflation and the strengthening of sterling against the Deutschmark, our principal European competitive currency, has been to reduce the gross margin of the manufacturing sector over the past three years, reducing dramatically the ability of United Kingdom manufacturers to compete in Europe — this at a time when many manufacturing plants are working at around 50 per cent of their capacity.

It is, therefore, inequitable that, added to these burdens, there should be a tax on jobs, known as the National Insurance surcharge, as well as soaring business rates and energy costs which are out of line with our European competitors. The Chancellor's priorities must be to remove the National Insurance surcharge, to reduce interest rates (even with some risk) with its knock-on effect on sterling exchange rates, and to bring energy costs into line with our competitors.

Yours faithfully,  
J. HARRY HOOPER,  
Chairman and Managing Director,  
Armstrong Equipment Limited,  
Gibson Lane, Melton,  
North Ferraby,  
North Humberside,  
February 24.

From Mr John Fingleton

Sir, In the early 1970s the price of oil rocketed. Result: enormous problems for the then Chancellor, and thus the nation's economy. In the early 1980s the price of oil — including by now our own — is tumbling. Result: enormous problems for the Chancellor, and thus, apparently, the nation's economy. What is the lesson to be learned, other than perhaps "plus ça change...?" Yours faithfully,  
JOHN FINGLETON,  
29 Warrington Court,  
29 Throgmorton Street, EC2.  
March 3.

whose responsibility is the promotion of foreign travel to Britain. This agency's evidence — and many particularly cross-examination on such matters might be expected to become a key point in the public inquiry, not least because it is known that their expert views on tourism forecasts differ from those of the BAA.

It is surprising, in the circumstances, that the BTA appear now to be considering making only the briefest of written submissions to the inquiry, without putting up witnesses for cross-examination. If this proved to be the case, understanding of the assumptions underlying the British Airport Authority's tourism projections would also be weakened.

It is of course principally for BTA to decide for themselves how to present their evidence to the inquiry. But in view of the stakes — thousands of acres of English countryside — a number of other parties have more than a passing interest in any decision they may make.

Yours faithfully,  
ROBIN GROVE-WHITE,  
Director,  
Council for the Protection of Rural England,  
4 Hobart Place, SW1,  
March 5.

Smaller, slower, price increases and price stability would be welcome, always provided that prices relate to costs. It is too easy for BGC to overlook the need for sensible expansion and cost efficiency, when the Government backs policy of passing costs straight through into prices.

It also follows that NGCC is powerless to defend gas consumers in the important area of prices because these are dictated by Government. If pricing becomes the responsibility of BGC, we can get into the arena with a visible protagonist which would give us the chance to analyse, argue and negotiate fair but realistic pricing.

I wish I could welcome a freeze but it is no good sacrificing long-term stability to short-term popularity. When one catches up on a financial loss after a lean year, it is necessary to recoup more than the money lost by underpricing. The underpricing costs itself generates so many additional costs.

Yours faithfully,  
SHEILA P. BLACK, Chairman,  
National Gas Consumers' Council,  
130 Jermyn Street, SW1,  
March 4.

## Arab use of oil weapon

From Sir John Wilton

Sir, Dr Kissinger complains, in the extract from his memoirs which you publish today (March 4) that "some of our allies were asking for preferential treatment from the Arabs for having disavowed our Middle East policy."

The immediate cause of the Arab use of the oil embargo in 1973 was the American decision to supply arms to Israel and vote her a \$2 billion credit in the middle of the fighting. America's allies were not consulted about that decision; and they were left to devise what measures they could to protect their economies which at that time were far more vulnerable to the embargo than was the economy of the United States.

There cannot have been many occasions when a country's unilateral action caused more far-reaching damage to its allies than did that of the United States in October 1973. Indeed it was not until the finer moments of allied relations.

Yours sincerely,  
JOHN WILTON,  
Wilmere Lodge,  
Middleton Stoney,  
Oxfordshire,  
March 4.

## Lead in petrol

From Mr Brian Price

Sir, I write in response to criticisms of my energy analysis of lead in petrol, reported in *The Times* (February 27).

Associated Oil Limited state that extra crude oil requirement, at the refineries, of 430,000 tonnes relates to the transition from petrol containing 0.4 grammes of lead per litre to that containing 0.15 g/l. This is true and I used that figure, together with other industry data, to derive a gross figure of 1.02 million tonnes of extra crude required for the complete transition to lead-free fuel.

The net amount of extra crude required will be considerably less than this. As your correspondent rightly points out, the by-product of more severe refining does not simply disappear but can be used for other industrial purposes. Indeed, some of them can even be used as fuels in vehicles. The net extra crude requirement works out at some 260,000 tonnes — a figure considerably smaller than the use of lead-free fuel.

The purpose of my study was to determine whether or not the energy savings traditionally attributed to leaded petrol were real. However, one wonders whether arguments about gaining or losing a few hundred thousand tonnes of oil are worth engaging in when the mental performance of so many of our children is at stake. Before this study was begun, Friends of the Earth believed that the expenditure of this small amount of oil was worth while, on public health terms. The results of this analysis completely vindicate our position that lead should not be added to petrol.

Yours faithfully,  
BRIAN PRICE, Pollution Consultant,  
Friends of the Earth Limited,  
9 Poland Street, W1.

## Clergy's rewards

From the Reverend P. E. Nixon

Sir, Recent articles and letters in *The Times* may have given your readers the impression that the clergy are suffering from low morale and low pay. There is another opinion.

Jesus said "Blessed are you poor" (Luke 6:20). I believe that this is closer to the original words of our Lord than St. Matthew's "Blessed are the poor" (Matthew 5:3). There is, seriously, it means that to give the clergy more pay would not advance the kingdom of God, and may even retard it. With my stipend and family income supplement I receive more money than most of my parishioners, and more than the supplementary benefit rates imply that I need. To have more money so as to be able to be more generous, might sound attractive, but it would generate an unhealthy paternalism in the clergy.

I know that this sound naive or self-righteous, but there are parishioners who have less than I, and who speak of the joys of creation; they consider the lilies, quite without affectation, and find this quite humbling. There is a peace of God which passes understanding; but it is not to be purchased by asking for an increased income.

Yours sincerely,  
PHILIP NIXON,  
Curate of St. Wilfrid's, Halton,  
67 Morritt Drive,  
Leeds,  
March 1.

## Copying the image

From Mr C. W. Hodgkinson

Sir, As to censorship, it is pertinent to compare Michael Winner (in a letter to you, Sir, published February 24) with Oscar Wilde (in "The Decay of Lying" published in *Intentions*, 1891).

Michael Winner: "To believe that if you cut dramatic reconstructions of unpleasant aspects of life from movies life will itself become sweeter and less violent is optimistic in the extreme."

Oscar Wilde: "Life imitates art far more than art imitates life."

Surely Wilde's words apply even more to the arts of film and of TV reporting than to those he knew?

Yours faithfully,  
C. W. HODGKINSON,  
32 North Parade,  
Leigh on Sea,  
Essex,  
February 24.

## David Wood

### The Budget: still a topping occasion

Economists and economic commentators seldom tell us nowadays that Budget days should be properly reckoned as rather festive occasions, at which merriment is usually merely to entertain a rabble excluded by their immunity from the great mystery of economic management. This year, in fact, we arrive at D-Days minus one without any mention of the argument at all.

Cabinet ministers, backbenchers in M1 and M2, academics, commentators, TUC, CBI and rival party spokesmen, all agree for the moment when the Chancellor opens the last Budget but one before the next general election and either saves his party's bacon or cooks its goose. By general consent, Budget day is once again a national occasion, a magnificent opening night, the Grand National, or the Euro Song Contest. The only question remaining is whether Sir Geoffrey Howe will break a lifetime's habit and, showing himself a good Olivier of the Treasury, rise to the occasion.

Once, of course, there was something in the argument that Budget days were non-occasions that perhaps did more to mislead than to guide. Nobody could expound it with more brilliance and pith than Peter Jay, our admired old colleague at Printing House Square and once a treasury high flyer. It was a time when Budget could live out a year, when Chancellors were bringing in supplementary amending budgets to the House of Commons in

## Ethnic education

From Mr Kenneth Reeves

Sir, I refer to the recent correspondence in your columns concerning the sale of an Ealing high school to the Church of England.

Prior to my appointment as head of this newly established Church of England comprehensive high school in Ealing, I served in three other Church of England secondary schools, in which there were pupils of different ethnic cultural and religious backgrounds, and all three schools were at some stage, if not always, oversubscribed. The attraction of applying for the post of first Headteacher of the new Ealing Church of England High School was that it too reflected the environment it served.

The admissions policy, the only one the governors have ever had, was quite clearly stated in the letter sent out by the Ealing Education Office to parents making a choice of high school for September 1982. The Governors of Twyford Church of England High School have agreed

that application for admission to the school will be open to all children. In the event of oversubscription preference will be given to children of Anglican families and to children of other Christian parents. Other criteria for preference will be sibling relationships, special factors (medical and social) and ease of access.

I am certain that, should the school become oversubscribed, the governors would wish the school to continue to reflect to the considerable extent the multi-racial, multi-faith environment in which the school exists and that this would constitute one of the special "social factors" in the criteria for admission.

It has been my experience that parents representative of faiths other than Christianity often deliberately opt for a Church of England school, because they know that in such a school religion and worship will be taken seriously within an atmosphere of mutual respect and tolerance.

It is our policy at Twyford High School to nourish the faith of children from Christian homes, to encourage those with

other religious beliefs and practices and to challenge those with no particular faith to explore the possibility of a spiritual dimension to life. Your readers may be interested to know that in addition to Christian acts of worship, a *dharmic* festival was held last term. A festive education in the school is concerned with Christianity and the other major religions of the world and with the moral and social issues within society that affect all of us, irrespective of cultural diversity.

I believe the new Church of England school in Ealing will, like the other church schools in which I have served, make a significant contribution towards fulfilling one of its declared aims, which is "to bring about greater understanding between people of different social backgrounds, ethnic origins and religious persuasions."

Yours faithfully,  
KENNETH REEVES,  
Headmaster,  
Twyford Church of England High School,  
Twyford Crescent,  
Acton W3.  
March 3.

## Animal experiments

From Lord Perry

Sir, The article by Richard North in your issue of February 16 according to me a statement that is wholly misleading. In discussion with Mr North I said that a reformed Cruelty to Animals Act could arrange for the scrutiny by a statutory body of experiments already performed. I did not agree to the scrutiny in this way of "potential experiments" but of next statement ascribed to me clearly indicated.

I made it very clear to Mr North that there was no way of telling in advance which experiments would add to the sum of human knowledge and which could not, so that it would always be impossible to ban experiments in advance on the ground that they were useless. The fact that many (probably not as many as 99 per cent) turned out not to add significantly to the sum of human knowledge was an inevitable price of progress in research.

Yours sincerely,  
WALTER PERRY,  
Chairman of Council,  
Research Defence Society,  
The Open University,  
PO Box 77,  
Sherwood House, Sherwood,  
Bletchley, Milton Keynes.  
February 22.

## No-claim bonus

From Mr R. E. Hunt

Sir, In his letter (March 1), Mr Bishop complains about the loss of his no-claim bonus on his Motor Insurance premium. A suitcase had been stolen from his car, and he has been told that if the insurers pay, his no-claim bonus would be stopped. Quite right.

He goes on to say "I thought that loss of a bonus was to penalise the guilty party in an accident". No, not entirely, it is a no-claim bonus not a no-blame bonus. In any case trying to establish who is to blame in many motor accidents is an impossible problem when reading the reports of each motorist concerned. How they were in the same town at the same time is almost as difficult. Where, however, the circumstances of the accident, honestly admitted, show one driver to be unquestionably in the wrong, providing an undisputed right of recovery against him, the insurers would normally allow the no-claim bonus, and pay his claim in full.

Yours faithfully,  
R. E. HUNT,  
2 Grosvenor House,  
Grosvenor Road,  
Coventry.  
March 2.

## Predicting air traffic

From the Director of the Council for the Protection of Rural England

Sir, The public inquiry at Stansted into the British Airports Authority's (BAA) proposal for a third London airport has now been in progress for almost six months. It is increasingly clear that the Authority's case hangs critically on predictions of massive increases over the coming decades in air traffic for leisure purposes. Indeed, BAA has contended that of the 70 million passengers expected to require air terminal facilities in the South East in 1990, at least 48 million will be tourists. Beyond that date, leisure traffic becomes still more significant.

What is more, the Authority are stressing that these Stansted projections are designed specifically to cater for tourist charter traffic.

So a great deal turns on whether such projected increases in tourist demand are either inevitable or desirable. If there is doubt about either, the case for a massive Stansted expansion is correspondingly weakened.

No body is better placed to throw light on these matters than another statutory agency, the British Tourist Authority (BTA),

## Price of gas

From the Chairman of the National Gas Consumers' Council

Sir, Government has in the past been tempted to freeze "sensitive" prices for a period before an election; and rumour has it that next year might be no exception, that gas prices might be frozen.

It has always been incomprehensible that a government dedicated to the operation of market forces should dictate prices charged to consumers by the British Gas Corporation, especially in light of the Government view that nationalised industries should behave more like independent private sector companies.

However, the Government claims that the recent series of rises have brought gas prices up to their current economic level. If so, what would a freeze serve (in a time of inevitable rising costs) but to start another cycle of artificially speeded-up price increases in order to catch up on the next year? Such increases would, presumably, begin to hit shortly after the election and to repeat in the years ahead the pains already inflicted on gas consumers since 1980.

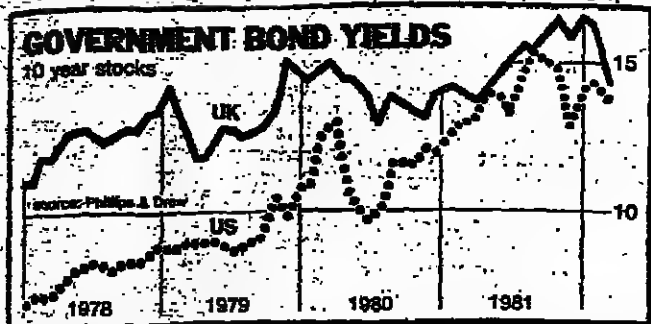






## BUSINESS NEWS

## Yields fall again



Yields on gilts fell sharply last week in five successive trading sessions as market hopes of further base rate cuts rose. Dealers believe that easier money supply and inflation figures justify another round of interest rate reduction either today or just after tomorrow's Budget. If these expectations are not met bond prices could slip later this week.

## BP in offshore sale

British Petroleum is believed to be keen to sell its 15 per cent stake in the Beatrice field in the North Sea. It bought the holding from P & O in June 1979 for £28m. BP's desire to sell out is apparently based on a desire to limit its involvement on fields where it is not the technical operator.

## CSI chief fights back

Mr Patrick Neill, chairman of the Council for the Securities Industry, has opened a fight with a private document to the 14-man council to save the powers of the City's ultimate self-regulatory authority, which he heads, from being replaced by law and administered by the Department of Trade. The threat to the CSI was foreshadowed in a consultative document in January which had been commissioned by Mr John Biffen, the Trade Secretary.

## Nimble cameras

## US launch

Eight hundred Nimble 3-D cameras - a day are coming off the production line at the Dundee factory, ready for the sales launch in the United States later this month.

The Nimble Corporation is to start selling the controversial camera, at a price close to £200 (£209). The Dundee factory, which has been producing the cameras since 1951, is now owned by the Nimble Corporation, which is a subsidiary of the Dundee Corporation, a public company listed on the London Stock Exchange.

## Business guide

A new guide to help people find the money they need to set up or expand a business is published today by the Confederation of British Industry. The guide is called *Finding Money for Your Business*.

## Panel urged to censure a Court

By Philip Robinson

Mr Gerald Ronson's Heron Corporation is to press hard for the Takeover Panel to censure publicly Australian Mr Robert Holmes a Court for alleged breaches of the Takeover Code. The two are rivals in a bitter battle for control of Associated Communications Corporation, formerly headed by Lord Grade, and Mr Ronson's move follows Mr Holmes a Court's revelation of almost one million ACC non-voting shares and increasing his bid to 95p a share, topping Mr Ronson's offer by 5p.

Under the Takeover Code all purchases of all classes of shares must be declared by noon of the day following the buying. Censure by the Takeover Panel is usually only done in extreme cases.

Mr Holmes a Court was not available for comment yesterday but it is understood his TVW Enterprises, a 44 per cent owned subsidiary of the Bell Group through which he is making his bid for ACC, had been buying and selling ACC non-voting shares since last Wednesday.

On Friday, Heron's advisers, Barclays Merchant Bank, asked the Takeover Panel to investigate a mystery buyer who had chased the ACC share price up to 97p at one point in the Stock Market. Their request came as a result of unsatisfactory answers from stockbroker J. G. Combs which was executing most of the buying orders.

On Saturday, as a result of the Takeover Panel request, Mr Alan Newman, Mr Holmes a Court's main executive dealing with the ACC bid, admitted that TVW Enterprises had added 925,000 ACC non-voting shares to the 51 per cent already held. By midday Mr Holmes a Court had called Standard Chartered Mer-

chants Bank, which is advising ACC directors, and told them he was increasing his offer.

This is a revision of Mr Holmes a Court's first offer almost two months ago. At that time Bell Group offered 66p for the non-voting shares and 320p for the voters. Now it is offering 95p for 25.6 million non-voting and 80p for 146,700 voters he does not already own. The new bid values ACC at £51.3m, almost £15.3m above his first offer and £2.7m above the Heron offer.

Heron was meeting the Takeover Panel late last night. Mr Michael Peterson, heading Barclays, advised to Heron, said: "I will be expressing our disquiet at the share buying, and pushing very hard for the Panel to censure Mr Holmes a Court. There is no excuse for not knowing that they had to declare. I would imagine Mr Holmes a Court could recite the Takeover Code."

He said Heron was going ahead with its offer document, detailing a bid which values the non-voting shares at 50p and the voting shares at 360p. It should be out on Wednesday.

Mr Peterson added: "There is no intention of revising our price at the moment. We are not going to be panicked into anything."

Meanwhile ACC's special four-director committee, headed by Lord Matthews and set up last week to look at all takeover bids and report to the full board, is due to meet today.

Suggestions that Mr Holmes a Court might be asked to step aside as ACC's chairman are likely to be reviewed when he returns to Britain from Melbourne at the end of the week. It is understood the board has taken the view that there is no potential conflict of interests.

Over-capacity in the industry is at the root of the discount war, particularly as more modern higher capacity bakeries are opened and more supermarkets and large supermarkets join the growth sector of in-store "hot bread" bakeries.

If a plant bakery is operating at less than 20 per cent capacity, it runs at a loss. The big suppliers to the multiple grocers such as Tesco and J. Sainsbury are thus under pressure to give large discounts in order to maintain volume production.

ABF started the new spiral of discounts last autumn. This happened after Associated family bakers made increasing inroads into the supermarket chains by selling selectively in some regional areas. Others, to stay in the race, matched the level of discounting. The National Association of Master Bakers, representing nearly 4,000 small bakers, said last night that prices in the supermarket chains were well under 30p a family-sized white loaf were making it more difficult to sell what they regard as craftsman-made loaves at around 40p.

After the crash of the Spillers baking interests in 1978, maximum discounts to the multiple buyers had been running at most at 25 per cent before the discount war started. Now discounts are thought to be nearer 30 per cent.

But there are likely to be difficulties in assessing whether a selling well below cost. This is because some have more modern and efficient plants than others and thus are able to afford larger discounts to retailers.

ABF, for instance has States could sell Japan up to \$15,000m worth of goods immediately if Japan removed certain non-tariff trade barriers.

The list includes the United States agricultural products, consumer products such as cigarettes, and basic products such as soda ash used in glass making which the American companies say they can deliver at dockside for \$100 less a tonne than the prevailing price in Japan.

"This time our message is clear. We are sending the Japanese a list and we want meaningful action. We know it can't be done overnight but we nevertheless want some sign of movement," Mr Lionel Olmer, the Under Secretary of Commerce, said.

Even if there is movement and the Japanese approve the new package of measures designed to improve access to their markets, Congress is still almost certain to pass

some form of reciprocity legislation. Mr Olmer says that reciprocity legislation will be passed by this Congress but he thinks the Administration will have a better chance of shaping it for the better if it has a clear signal from Japan.

The Japanese, meanwhile, are clearly worried by what they hear and see in Washington. This has apparently convinced them that some further trade action must be taken.

Last week, for example, after the visit of a special trade mission to Washington, Mr Masumi Esaki, an adviser to the Prime Minister, warned the cabinet that further delay in easing restrictions could lead to the collapse of the free trade system.

Meanwhile, Mr Shintaro Abe, Japan's Trade Minister, has appealed to Belgian Foreign Minister Mr Leo Tindemans, for help in resist-

## Opec 'will hold present oil price'

By Jonathan Davis, Energy Correspondent

Leading oil ministers in the Organization of Petroleum Exporting Countries said yesterday that they expected to be able to hold oil prices at their existing levels, because of a concerted move to cut production.

This follows the announcement over the weekend that Opec will hold an emergency meeting in Vienna on March 19, and confirmation by Saudi Arabia that it plans to reduce its official production ceiling from 8.5 million barrels a day to 7.5 million barrels a day.

Ministers from the leading Arab members of Opec, meeting in Qatar for the second Arab energy conference, said that the emergency Opec meeting would confirm an informal deal struck at the weekend. This would involve cutting Opec output from around 20 million barrels a day to 18.5 million barrels a day.

during the weak demand period of the summer. Many observers feel that Saudi Arabia, the leading Opec producer, would not be unhappy to see the Opec benchmark price reduced from \$34 a barrel to between \$30 and \$28 a barrel.

Saudi Arabia's position is not yet clear. Shaikh Yamani, the kingdom's oil minister, said at the weekend that an emergency Opec meeting was not necessary. However, later, after the Opec secretariat announced the March 19 date for such a meeting, he changed his tack and said: "It is now possible to convene a very successful meeting."

Western sources are, however, sceptical whether a cut in production to 18.5 million barrels a day will be sufficient to prevent further reductions in oil prices.

Shaikh Yamani confirmed that his country's production ceiling would be lowered by one million barrels a day this month, and repeated his belief that the \$34 a barrel

price would be held until the end of the year.

The fall in oil prices over the last few weeks, highlighted by Britain's decision to cut North Sea prices by \$4 a barrel to \$31 a barrel last week and other price cuts by Iran, Mexico and Egypt, has been prompted by a surplus of supply estimated to be running at two to three million barrels a day.

If Opec does reduce its output to 18.5 million barrels a day, it will be the least it has produced since the 1960s, and compares with a production peak in 1977 of 31 million barrels a day. Oil sources said last night that it would be unwise to take Opec's plans at their face value until an agreement is usually reached at Vienna. Several oil companies are openly predicting that prices might eventually fall to \$25 a barrel.

Buying a share in scripophily

Scripophily, the study and collection of bonds and share certificates, brought the curious as well as numerous dealers, some from abroad, to the City of London yesterday for the second annual international scripophily conference. Mr Jonathan

Lytleton, auctioneer for the Bond and Share Society which organized the conference, sold around 15 lots of the bonds and certificates, many of them intricately engraved. Mr Lytleton is pictured examining an early railways certificate.

Lytleton, auctioneer for the Bond and Share Society which organized the conference, sold around 15 lots of the bonds and certificates, many of them intricately engraved. Mr Lytleton is pictured examining an early railways certificate.

Lytleton, auctioneer for the Bond and Share Society which organized the conference, sold around 15 lots of the bonds and certificates, many of them intricately engraved. Mr Lytleton is pictured examining an early railways certificate.

Lytleton, auctioneer for the Bond and Share Society which organized the conference, sold around 15 lots of the bonds and certificates, many of them intricately engraved. Mr Lytleton is pictured examining an early railways certificate.

Lytleton, auctioneer for the Bond and Share Society which organized the conference, sold around 15 lots of the bonds and certificates, many of them intricately engraved. Mr Lytleton is pictured examining an early railways certificate.

Lytleton, auctioneer for the Bond and Share Society which organized the conference, sold around 15 lots of the bonds and certificates, many of them intricately engraved. Mr Lytleton is pictured examining an early railways certificate.

Lytleton, auctioneer for the Bond and Share Society which organized the conference, sold around 15 lots of the bonds and certificates, many of them intricately engraved. Mr Lytleton is pictured examining an early railways certificate.

Lytleton, auctioneer for the Bond and Share Society which organized the conference, sold around 15 lots of the bonds and certificates, many of them intricately engraved. Mr Lytleton is pictured examining an early railways certificate.

Lytleton, auctioneer for the Bond and Share Society which organized the conference, sold around 15 lots of the bonds and certificates, many of them intricately engraved. Mr Lytleton is pictured examining an early railways certificate.

Lytleton, auctioneer for the Bond and Share Society which organized the conference, sold around 15 lots of the bonds and certificates, many of them intricately engraved. Mr Lytleton is pictured examining an early railways certificate.

Lytleton, auctioneer for the Bond and Share Society which organized the conference, sold around 15 lots of the bonds and certificates, many of them intricately engraved. Mr Lytleton is pictured examining an early railways certificate.

Lytleton, auctioneer for the Bond and Share Society which organized the conference, sold around 15 lots of the bonds and certificates, many of them intricately engraved. Mr Lytleton is pictured examining an early railways certificate.

Lytleton, auctioneer for the Bond and Share Society which organized the conference, sold around 15 lots of the bonds and certificates, many of them intricately engraved. Mr Lytleton is pictured examining an early railways certificate.

Lytleton, auctioneer for the Bond and Share Society which organized the conference, sold around 15 lots of the bonds and certificates, many of them intricately engraved. Mr Lytleton is pictured examining an early railways certificate.

Lytleton, auctioneer for the Bond and Share Society which organized the conference, sold around 15 lots of the bonds and certificates, many of them intricately engraved. Mr Lytleton is pictured examining an early railways certificate.

Lytleton, auctioneer for the Bond and Share Society which organized the conference, sold around 15 lots of the bonds and certificates, many of them intricately engraved. Mr Lytleton is pictured examining an early railways certificate.

Lytleton, auctioneer for the Bond and Share Society which organized the conference, sold around 15 lots of the bonds and certificates, many of them intricately engraved. Mr Lytleton is pictured examining an early railways certificate.

Lytleton, auctioneer for the Bond and Share Society which organized the conference, sold around 15 lots of the bonds and certificates, many of them intricately engraved. Mr Lytleton is pictured examining an early railways certificate.

Lytleton, auctioneer for the Bond and Share Society which organized the conference, sold around 15 lots of the bonds and certificates, many of them intricately engraved. Mr Lytleton is pictured examining an early railways certificate.

Lytleton, auctioneer for the Bond and Share Society which organized the conference, sold around 15 lots of the bonds and certificates, many of them intricately engraved. Mr Lytleton is pictured examining an early railways certificate.

Lytleton, auctioneer for the Bond and Share Society which organized the conference, sold around 15 lots of the bonds and certificates, many of them intricately engraved. Mr Lytleton is pictured examining an early railways certificate.

Lytleton, auctioneer for the Bond and Share Society which organized the conference, sold around 15 lots of the bonds and certificates, many of them intricately engraved. Mr Lytleton is pictured examining an early railways certificate.

Lytleton, auctioneer for the Bond and Share Society which organized the conference, sold around 15 lots of the bonds and certificates, many of them intricately engraved. Mr Lytleton is pictured examining an early railways certificate.

Lytleton, auctioneer for the Bond and Share Society which organized the conference, sold around 15 lots of the bonds and certificates, many of them intricately engraved. Mr Lytleton is pictured examining an early railways certificate.

Lytleton, auctioneer for the Bond and Share Society which organized the conference, sold around 15 lots of the bonds and certificates, many of them intricately engraved. Mr Lytleton is pictured examining an early railways certificate.

Lytleton, auctioneer for the Bond and Share Society which organized the conference, sold around 15 lots of the bonds and certificates, many of them intricately engraved. Mr Lytleton is pictured examining an early railways certificate.

Lytleton, auctioneer for the Bond and Share Society which organized the conference, sold around 15 lots of the bonds and certificates, many of them intricately engraved. Mr Lytleton is pictured examining an early railways certificate.

Lytleton, auctioneer for the Bond and Share Society which organized the conference, sold around 15 lots of the bonds and certificates, many of them intricately engraved. Mr Lytleton is pictured examining an early railways certificate.

Lytleton, auctioneer for the Bond and Share Society which organized the conference, sold around 15 lots of the bonds and certificates, many of them intricately engraved. Mr Lytleton is pictured examining an early railways certificate.

Lytleton, auctioneer for the Bond and Share Society which organized the conference, sold around 15 lots of the bonds and certificates, many of them intricately engraved. Mr Lytleton is pictured examining an early railways certificate.

## I. G. Metall accepts 'model' rise

By Peter Norman, Brussels

A breakthrough has been achieved in this year's round of collective wage bargaining in West Germany with the I. G. Metall trade union's acceptance of an increase of only 4.2 per cent for one million metal processing and engineering workers in North Rhine-Westphalia.

The increase, which was agreed on Saturday after both sides had gone to arbitration, is well below the 5.8 per cent rate of inflation in Germany but takes into account expectations of a further drop in the rate of price increases.

The settlement is likely to be adopted with minor variations for 3.7 million metal and engineering workers throughout West Germany and could set a pattern for collective agreements in other industries. The union and employers' negotiators agreed that it should be recommended as a model to metal industry wage negotiators in other regions of Germany and those in West Berlin and Bavaria have already signalled their acceptance.

The rapid conclusion of this year's engineering wage round with a settlement appreciably below the inflation rate is likely to be welcomed by the West German government and the federal bank.

The government, while drawing up its programme to boost employment earlier this year, stressed that moderate wage increases had to be achieved by 1982 to avoid the risk of inflation over the past 12 months to 1.9 million. The settlement, coming on top of a slowdown in the rate of inflation and signs of a steadier Deutsche mark of foreign exchange markets, could encourage the bank to reduce its interest rates.

After the settlement was announced both the employers and the IG Metall union found fault with it, indicating that an acceptable compromise had been reached.

Herr Wolfram Thiele, the metal industry employers' leader, complained that a lower figure would have helped to reduce unemployment. But the outcome was better than a strike, which probably would have been the next stage in the conflict if arbitration had failed.

Herr Klaus Lang of IG Metall also said the outcome was unlikely "to make anybody jump up from their chair". But he described the increase as acceptable provided the government did everything that it could to push through a change in employment policy and that industry fulfilled its pledges to hold down prices and improve conditions on the labour market.

Belgian steel prices, Page 13

## THE WEEK AHEAD

## Sweet taste of success

## LONDON EXCHANGE

FT Index 580.7  
FT 100 68.34  
FT All Share 323.03  
Baird's 24.604  
(Friday's close)

Proof that demand for biscuits and confectionery is virtually recession-proof will emerge on Thursday when two of the United Kingdom's largest food groups - United Biscuits and Cadbury Schweppes - are both expected to report a healthy increase in profits. Shell will also be announcing its final figures.

United Biscuits is expected to report a 24.7 per cent increase in profits, helped by currency gains and the low price of cocoa, and matched by a 20 per cent increase in dividends for the year to a total of 7.50p.

This will come from better margins in the United Kingdom biscuits and snacks through volume increases and better productivity, and a considerable advance in the United States, boosted by currency gains on translation into sterling.

But the present year is likely to see a slowdown as the low raw material prices and the weaker pound may have a less marked impact, and analysts are looking for profits in the region of 567m.

Two areas the group has identified for long-term expansion are frozen foods, currently a loss maker, and restaurants.

Frozen foods account for about 10 per cent of United Kingdom sales, and after reorganization

could be approaching break-even after a £2.9m loss last year. The Pizzarello restaurant chain has performed well and is being expanded and the Wimpy image is being slowly revamped.

After an advance at the last year from £21m to £27.5m, Cadbury Schweppes is expected to produce profits of £75m to £77m for the year to December, bolstered by year-end currency translation gains.

There should be a matching rise in dividends, with analysts expecting a rise from 5.8p to 6.8p per share for the full year.

The group, achieved good progress in a number of overseas markets, while in the United Kingdom there was a modest advance of £1.5m to £16.7m. A heavy increase in marketing expenditure helped Dairy Milk win back market share from Rowntree's Yorkie bar, but the prospect of an enlarged group if Rowntree's bid for Huntley & Palmer is successful will offer increased competition to both Cadbury Schweppes and UB.

With the reduction in North Sea oil prices quickly followed by Department of Energy forecasts that production would rise this year, Mr John Baiseman, chairman and chief executive of Shell UK, said last week that Britain's offshore development was at a crossroads.

His warning comes ahead of not only Tomorrow's Budget but also of full-year figures from Shell, due on Thursday, which are expected to show a fall from last year's £2,225m pretax, with estimates ranging from £1,400m to £1,600m.

Garrett David

But there are likely to be difficulties in assessing whether a selling well below cost. This is because some have more modern and efficient plants than others and thus are able to afford larger discounts to retailers.

ABF, for instance has States could sell Japan up to \$15,000m worth of goods immediately if Japan removed certain non-tariff trade barriers.

The list includes the United States agricultural products, consumer products such as cigarettes, and basic products such as soda ash used in glass making which the American companies say they can deliver at dockside for \$100 less a tonne than the prevailing price in Japan.

"This time our message is clear. We are sending the Japanese a list and we want meaningful action. We know it can't be done overnight but we nevertheless want some sign of movement," Mr Lionel Olmer, the Under Secretary of Commerce, said.

Even if there is movement and the Japanese approve the new package of measures designed to improve access to their markets, Congress is still almost certain to pass

## OFT studies bread price discounts

By Derek Harris, Commercial Editor

Bread pricing is being investigated by the Office of Fair Trading, which is considering action under the new Competition Act. The question is whether any bread manufacturers have adopted a strategy of predatory pricing.

The Monopolies and Mergers Commission, in its 1981 report on discounts to retailers, pointed to the dangers of predatory pricing. This is when one or more dominant manufacturers use their resources to sell at a low price in order to drive smaller makers out of business.

This brings short-term benefits to consumers in sharply lower prices but a later danger from a possible monopoly. The OFT said last night it was in contact with various parts of the industry after complaints and expressions of concern from both management and trade unions in the bread industry about the level of discounts.

There have been complaints from some independent regional plant bakers as well as from trade unions.

OFT investigators are looking closely at the role in the discount war being played by the two giants of the industry: market leader Associated British Foods (ABF), with a market share of about 32 per cent, and Ranks Hovis McDougall (RHM) with about 28 per cent.

But there are likely to be difficulties in assessing whether a selling well below cost. This is because some have more modern and efficient plants than others and thus are able to afford larger discounts to retailers.

ABF, for instance has States could sell Japan up to \$15,000m worth of goods immediately if Japan removed certain non-tariff trade barriers.

The list includes the United States agricultural products, consumer products such as cigarettes, and basic products such as soda ash used in glass making which the American companies say they can deliver at dockside for \$100 less a tonne than the prevailing price in Japan.

"This time our message is clear. We are sending the Japanese a list and we want meaningful action. We know it can't be done overnight but we nevertheless want some sign of movement," Mr Lionel Olmer, the Under Secretary of Commerce, said.

Even if there is movement and the Japanese approve the new package of measures designed to improve access to their markets, Congress is still almost certain to pass

some form of reciprocity legislation. Mr Olmer says that reciprocity legislation will be passed by this Congress but he thinks the Administration will have a better chance of shaping it for the better if it has a clear signal from Japan.

The Japanese, meanwhile, are clearly worried by what they hear and see in Washington. This has apparently convinced them that some further trade action must be taken.

Last week, for example, after the visit of a special trade mission to Washington, Mr Masumi Esaki, an adviser to the Prime Minister, warned the cabinet that further delay in easing restrictions could lead to the collapse of the free trade system.

Meanwhile, Mr Shintaro Abe, Japan's Trade Minister, has appealed to Belgian Foreign Minister Mr Leo Tindemans, for help in resist-

ing protectionist legislation in the United States.

Both Mr Abe and Mr Esaki said Japan would move to liberalise trade and agricultural products and possibly manufactured goods but these measures are not likely to be announced before the March 20 visit to Washington of Mr Yoshio Sakuruchi, the Foreign Minister.

Mr Sakuruchi is expected to ask President Reagan to agree to a bilateral trade conference before the Paris economic summit this summer so that trade differences between Japan and the West do not dominate the conference.

It is not clear whether these measures will be broad enough or come soon enough to defuse the anti-Japanese sentiment in the United States.

Mr Olmer says he is convinced there is a political commitment "at the top" of the Japanese government to open markets

## Docks face more job cuts

By Paul Routledge, Labour Editor

Exporters face handling difficulties and the Government may be involved in a new public expenditure burden because of troubles in the docks caused by falling trade and reorganization of the industry.

Port employers in London and Liverpool want to shed about 3,000 registered dock workers and there is growing pressure from an unofficial dockers' group to strike against proposals to reorganize the National Dock Labour Board.

The Port of London Authority says it would like to make redundant 1,100 dock and warehouse workers because of recession. The Mersey Docks and Harbour Company is talking of around 1,900 job cuts involving the possible shutdown of Victoria Dock, Birkenhead.

The dockers are protesting at proposals to reshape the Dock Labour Board.

Shampoo was third, 2001: A Space Odyssey fourth and A Star is Born fifth. Then came Goss With The Wind (parts

one and two). Sweeney 2, It'll Be Alright on the Night, a compilation of bloomer films and television comedies by Denis Norden, and the only non-feature film in the top 10 and The Aliens Are Coming.

According to AGB, feature films accounted for 45 per cent of the recording on VCR's, far ahead of the next highest category, light entertainment at 10 per cent. Drama series accounted for 9 per cent of recordings, from series 8 per cent and documentaries and current affairs 5 per cent.

The average VCR owner much prefers taping programmes from the air to buying or renting recorded tapes. Some 86 per cent of all material viewed was recorded off the air, with 46 per cent accounted for by BBC programmes and 40 per cent by ITV, the report says.

Herr Wolfram Thiele, the metal industry employers' leader, complained that a lower figure would have helped to reduce unemployment. But the outcome was better than a strike, which probably would have been the next stage in the conflict if arbitration had failed.

Herr Klaus Lang of IG Metall also said the outcome was unlikely "to make anybody jump up from their chair". But he described the increase as acceptable provided the government did everything that it could to push through a change in employment policy and that industry fulfilled its pledges to hold down prices and improve conditions on the labour market.

Belgian steel prices, Page 13

But today's final figures for January retail sales are expected to confirm the view that despite the seasonal sales it was a bad month for the shops, and the provision of February wholesale price index figures should show that inflation is not worsening.

Mid-February provisional money supply statistics will not indicate a significant fall in money supply growth.

Today: Retail sales (January final figures), wholesale price index numbers (February provisional), construction output (fourth quarter).

Tomorrow: Sir Geoffrey Howe, Chancellor of the Exchequer, makes his fourth spring budget statement; British Constructional Steelwork Association annual dinner; Savoy Hotel, London; Central government borrowing requirements (February); provisional estimate of money supply (mid-February); London clearing bank's monthly statement (mid-February); provisional figures of vehicle production (February).

Wednesday: United Kingdom balance of payments (fourth quarter).







## BUSINESS NEWS/FOCUS AND COMMENT

## INTER-CITY

## PEOPLE

## Woodlanders' bank call

Mr Wright is the National Trust's adviser on conservation and woodlands in the south. He is in charge of the trust's annual report, which is due to be published in the next few days. The report will cover the trust's activities over the past year, including its work on conservation, education and public recreation.

The commission is busy with the task of woodland. It has been a year since the trust's annual report was published. The report will cover the trust's activities over the past year, including its work on conservation, education and public recreation.

Mr Wright is the National Trust's adviser on conservation and woodlands in the south. He is in charge of the trust's annual report, which is due to be published in the next few days. The report will cover the trust's activities over the past year, including its work on conservation, education and public recreation.

## HERTFORDSHIRE

## Mothers in lore

There are two new faces at the International, the Berkshire-based computer systems house, many of whose workers are mothers of young children. The two faces belong to Jane Tozer, who has a son a year old, and Ann Budge, who has a daughter of nine. Ann Budge is to be area manager for F's new Scottish sales office in Edinburgh.

Mr Tozer's brief is to take F International into new areas of computing services. Ann Budge's brief is to exploit Scottish opportunities revealed in a recent feasibility study.

## SOUTHAMPTON

## In conference

Jack Newby, the director of the Electrical Contractors' Association, has come to the city of the way with his senior deputy, Nick Cory.

Newby, an ex-PA management consultant, has been director for the past 24 years. Cory, a long-time ECA man, has been deputy director for the past three years. One of Cory's duties at ECA was to organise the association's annual conference, in which capacity he won an award last year from the Association of Conference Executives.

This is a pointer to what Cory will be doing next. He has formed Nicholas Cory Ltd, his own conference and communications firm, in Havant (Southampton), and London.

He is now in talks with Southampton businessman Norman Kemish about "business development".

Kemish, a former stand-up comedian, is now with his partner, John Gale, an electrical contractor and co-owner of the Southampton Boat Show. But perhaps more to the point, Kemish becomes president of the Southampton Chamber of Trade in May.

Graham Barnack comes up with some fascinating nuggets in his work as managing director of the Economist Intelligence Unit and a member of the Economist's Advisory Group. Which part, would you think, is "surpassed as a natural harbour only by Sardinia and Rio de Janeiro"?

And what is the "famous" and "ability to take vessels of any size"?

And what is the "British" and "according to Barnack's latest EAG study"?

Enterprise, West's Portsmouth, Cornwall.

Ross Davies

## NEW APPOINTMENTS

Mr S. J. Selmon has been appointed group financial controller of Southgate Holdings. Mr Paul Brough, marketing director of Southgate Europe, has been promoted to vice-president and marketing director of Geographical Europe.

Mr John Mitchell and Mr James Scott have been appointed as executive directors, and Mr Fraser Sadolete as a non-executive director of Tals & Lytle.

## Weather-beaten tourist industry seeks an investment umbrella

The leisure complex that puts a wide range of attractions from night clubs to wave pools under one roof is already proving a success as a way for Britain's tourist industry to beat the weather.

The most elaborate example, the Great Yarmouth Marina Centre, promises to be well into its first year of operation after a winter season which has surprised — pleasantly — its managers. There are similar centres — on a more limited scale — at Rhyl and Swansea in Wales and on the Isle of Man (the re-built Summerland).

But if Mr Michael Montague, chairman of the English Tourist Board (ETB), gets his way, they could soon be appearing in an increasing number of resorts, both on the coast and inland.

New ways of funding projects and a policy switch by government on geographical "limitations" on tourist development are, however, crucial to this and other schemes envisaged by Mr Montague as a way of rescuing England's faded tourist performance.

Last year Britain had its biggest tourist deficit yet — £1.25 billion, £245m more than the £1.005 billion deficit of 1979.

Nine per cent more Britons went abroad, while overseas visitors to the United Kingdom declined seven per cent.

The ETB's plan involves three main elements. One is making greater use of low-interest loans from the European Investment Bank (EIB). These are currently running at £12m a year but there now seems an increasingly good chance of pushing this nearer to £20m a year for the next two years.

A £7m hotel at Harrogate, complementing the town's conference centre, is demonstrating the investment gearing to be expected from EIB loans. There £2.5m in EIB loans went in, linked to cash from a City institution and with some involvement by the local developer.

The EIB loan, and the ETB's role in helping to get institutional backing, are essential to get the scheme for the £30-bed hotel off the ground, according to the local developer, Mr John Abel, a Harrogate hotelier.

Institutional money is the second element in the ETB's plan.

Mr Montague says: "City institutions have not been over-enthusiastic about putting money into tourist development and that, probably goes back to when they saw too many fingers burned when the property market crashed. What we have argued is that, even though hotels or other developments may have been involved, it was a property market problem, not just a tourism one."

The point is getting home, he believes. In the drive to get investment in inner city areas, institutions could also find themselves involved in tourist development.

The more sympathetic approach by institutions is encouraged by the softening element injected by the EIB.

At the moment, however, an investment package like this can only be put together effectively in development areas. EIB money is tied to such areas, so is any assistance from the ETB from its current annual budget of £12m.

At Scarborough, for instance, a £6m programme which included renovation of the Spa conference complex and upgrading of local hotels, was able to attract around £1m from the EIB and a similar amount from the ETB.

But there are tourist centres in non-designated areas which deserve help as much as at Scarborough, Mr Montague maintains. There are resorts on the south coast from Margate to the West Country where high unemployment could be alleviated by tourist development, he says.

Loosening this development area straitjacket is the third element needed if the ETB's plans are to achieve maximum impact. There are signs that Whitehall may accept this thinking, although whether Brussels would widen the base for EIB loans is another matter.

The continued restriction of EIB loans to the development areas is not the only possible problem there. If interest rates in the United Kingdom were to decline relative to those in Europe, the EIB terms would be less attractive.

That emphasizes the importance of efforts like those of Mr Montague to win the institutions over to the merits of tourist development.

If the ETB is given the go-ahead to extend its investment activities geographically, its present level of resources will look rather meagre which should provide the impetus for putting together more deals involving institutions and local developers.

Perhaps next year the ETB might have some chance of getting more money for aiding tourist projects if only on the argument that the industry is labour-intensive and stands a good chance of reducing unemployment.

But the encouraging development for the ETB is that when it does decide to support schemes, albeit in small measure in actual cash terms, this increasingly is proving sufficient to persuade institutions to move in with their substantial backing.

Mr Montague would also like to see more emphasis on improving resort attractions.

Relaxing at the Great Yarmouth Marina Centre — an all-weather lure for tourists

"I suspect that tourist attractions are at least equal in importance to if not more important than the accommodation on offer," he said. "We do not need more hotel rooms, although quality needs to improve, more central heating, less sharing of loos."

He regards the £5.7m Great Yarmouth complex as a textbook example for other resorts. "Within five years I expect to see at least a dozen such centres around the country," says Mr Montague.

Facilities in the beach-side building include a pool with waves lapping onto warmed tiles, a variety of sports facilities, an entertainment plaza, amusements, catering areas and a discotheque. On Caribbean evenings by the pool the lights are dimmed, steel bands play and the food and drink have a tropical touch.

The local authority, faced with doing something about



Relaxing at the Great Yarmouth Marina Centre — an all-weather lure for tourists

an old open-air seawater pool, got the project on the road with the backing of the National Coal Board Pension Fund. That avoided the problem of barking shins against public sector borrowing limits.

Mr Chris Barnard, the general manager, expects the first year's trading surplus at least to meet payments due to the pension fund.

When the centre opened last summer 5,500 people a day paid 40p (half price for a child) to get into the complex. Almost as many passed through the turnstiles in the autumn, according to Mr Barnard.

"People are coming for the day or for the week-end and from quite far afield. We did not expect to make any money in this first winter; in the event we could be near to breaking even."

The local authority, faced with doing something about



Relaxing at the Great Yarmouth Marina Centre — an all-weather lure for tourists

an old open-air seawater pool, got the project on the road with the backing of the National Coal Board Pension Fund. That avoided the problem of barking shins against public sector borrowing limits.

Mr Chris Barnard, the general manager, expects the first year's trading surplus at least to meet payments due to the pension fund.

When the centre opened last summer 5,500 people a day paid 40p (half price for a child) to get into the complex. Almost as many passed through the turnstiles in the autumn, according to Mr Barnard.

"People are coming for the day or for the week-end and from quite far afield. We did not expect to make any money in this first winter; in the event we could be near to breaking even."

The local authority, faced with doing something about

## Tourism: the trade balance at current prices

	£m	£m	£m
UK earnings from overseas visitors	UK residents spending abroad	UK balance	
1971	500	442	+ 58
1972	576	535	+ 41
1973	726	695	+ 31
1974	989	703	+ 195
1975	1,218	917	+ 301
1976	1,768	1,068	+ 700
1977	2,352	1,186	+ 1,166
1978	2,507	1,549	+ 958
1979	2,797	2,109	+ 688
1980	2,961	2,738	+ 223
1981	3,041(p)	3,285(p)	- 243

Source: Department of Trade (p) Provisional

## The threat to Belgium's unity

## INTERNATIONAL OUTLOOK: STEEL INDUSTRY

By Peter Norman

Brussels. The long-running crisis in the South Belgian steel industry threatens to get out of control.

The outward symptoms over the past two weeks have been strikes and demonstrations in the steel towns along the Sambre and Meuse valleys as workers have followed the call of their unions to protest against the likelihood of job losses.

But the economic problems of the industry, centred on the ailing Cockerill Sambre steel concern, are far beyond the grimy manufacturing centres near Liege and Charleroi.

The future of the steel industry in southern Belgium has put the Government in Brussels on a collision course with the EEC Commission.

It threatens to erode the position of Viscount Etienne Davignon, the Belgian national who is EEC Commissioner for Industry and energy and until now the undisputed star in the European Commission.

The steel dossier has landed back on the Belgian Cabinet table with a thump and ended the political honeymoon for Mr Wilfried Martens, last year's coalition government which took power in the middle of December.

Mr Martens, by obtaining special executive powers from parliament, made an impressive start on his policy of public restraint and wage restraint enterprise.

But the steel crisis has provided a focus for opposition from both Christian and socialist trade union organizations in southern Belgium and the French-speaking Socialist Party, which for the first time in many years, is outside the government.

Some observers even believe that the problems of the steel industry in French-speaking Wallonia could accelerate the break up of the Belgian state.

The prospect of the Walloon steel industry being a continued drain on government funds has provoked flanders in Flemish-speaking areas for regional financing of Belgium's problem industries that would inevitably lead to a further weakening of the links between the two linguistic communities that live uneasily side by side in the kingdom of the Belgians.

Strangely enough, these calls have been echoed by French-speaking politicians



Striking Belgian steel workers showed a united front last week, but the crisis-hit industry threatens to split the country

and union representatives, who, apparently ignoring the heavy financial burden that regionalization would mean for the south, want the South Belgian steel industry to be controlled by the Wallonians themselves.

Cockerill Sambre, the company at the centre of the conflict, is 80 per cent owned by the Belgian state. It was formed last year from the Cockerill Steel Company of Liege and the Hainault Sambre group of companies based in Charleroi, about 55 miles to the west.

By all objective criteria it should have been declared bankrupt long ago.

The group owes its existence to the enormous amounts of government aid pumped into its constituent parts since the beginning of the steel crisis in 1974. The official purpose of the aid — to enable the industry to restructure — was quickly forgotten as funds were used to stem losses and maintain a production capacity of 8.5 metric tonnes of steel a year and a workforce of around 25,000 men.

This prodigious expenditure of public funds was finally halted by the European Commission last week.

After a tense round of talks, Viscount Davignon rejected key parts of a Belgian Government rescue plan for the Cockerill Sambre group on the grounds that the restructuring elements in the scheme were insufficient to return it to profitability.

The commissioner disclosed that a McKinsey consultancy

team has predicted that the group, which lost 17,000m Belgian Francs (£213m) last year, could still expect deficits of between BF5,700m and BF18,000m in 1985 and depending on the state of the steel market if the Government's proposed BF27,000m aid and restructuring package as accepted in full.

Under a code of practice adopted by the EEC member states and enforced by the commission, state aid for the steel industry has to be phased out by the middle of the decade. Viscount Davignon was left with no choice but to reject the package.

Although the commission accepted the need for BF21,000m of aid, its decision to block a BF5,000m tranche intended to finance a new continuous casting plant at Seraing brought the crisis to a head.

The decision, based on McKinsey's prediction that the plant would lose nearly BF300m a year, not only pushed the dossier back to the Belgian Government, it also stoked up trade union hostility.

For Seraing, once the home of the Prince Bishops of Liege, is also the power base of the formidable socialist trade union leader, M. Robert Gillon. The slow death of Seraing, implied in the decision, has left M. Gillon with a mission to lose and everything to gain in a fight to the finish with the commission and the Belgian Government.

The Belgian steel plan has been described as an unexpected bomb that could blow up in the face of any person

or organization going too near it.

Commissioner Davignon already bears some scars. The Government in Brussels, dominated by Flemish-speaking Christian and liberal politicians, has been nearly stepping the steel problem and passing the buck to the commissioner, who as a French-speaking Socialist Christian must look for his political constituency to the south of the country.

Davignon, who would be involved anyway as a result of his European functions, is doubly implicated because over the years he has insisted, for domestic political reasons, on taking part in the decision making on the restructuring of the southern Belgian steel industry.

Inevitably French-speaking socialist politicians and trade unionists are holding the commissioner partly responsible for the 5,000 or more jobs that will be lost in an already depressed part of the country if Cockerill Sambre does not get its fourth continuous casting plant in Seraing.

The social unrest that has accompanied the Cockerill Sambre issue has taken some of the glitter off Mr Martens' fifth government and could weaken his support in the business community. The strikes, demonstrations and threats of a "march on Brussels" have brought to a halt the long upsurge of Belgian stock prices that followed this Government's creation.

The loyalty to the centre-right coalition of the French-speaking Social Christians could also be put to the test as this party has been in

internal disarray following heavy losses in the general election.

But the Cockerill Sambre case also poses a question mark over the future of Belgium itself.

Mr Martens' present fifth government and his fourth administration which was in power last winter distinguished themselves by showing a determination to tackle the grave economic problems afflicting the Belgian state.

The Cockerill Sambre issue, by provoking calls for a regionalization of steel and the other problem industries of coal mining, textiles, glass making and shipbuilding, threatens instead to revive the fruitless quarrelling in Belgium between the Walloon community in the depressed south and richer, Flanders in the north.

The social unrest that has accompanied the Cockerill Sambre issue has taken some of the glitter off Mr Martens' fifth government and could weaken his support in the business community. The strikes, demonstrations and threats of a "march on Brussels" have brought to a halt the long upsurge of Belgian stock prices that followed this Government's creation.

The loyalty to the centre-right coalition of the French-speaking Social Christians could also be put to the test as this party has been in

## Business Editor

## Aiming for lower interest rates

"In the year ahead the burden of income tax and excise duties has to rise in order to secure lower interest rates and thus improve the prospects for industry and employment," thus said Sir Geoffrey Howe a year ago.

This time the Chancellor will presumably not need to be quite so harsh when it comes to the tax burden, though it remains hard to see that he can avoid raising it slightly to meet the proposed increase in National Insurance contributions.

The point, however, is that the broad thrust of the strategy is clearly going to remain the same — a tight fiscal policy in order to leave room for a progressive fall in interest rates.

The cynics might be forgiven for recalling that Budget day last year produced both the first and last steps on the road to lower interest rates. Minimum Lending Rate, for those who remember it, was cut from 14 to 12 per cent. But after the first bout of euphoria, interest rates, both short and long term, then proceeded to move steadily higher. Bank base rates were hiked up to 16 per cent by early autumn and still stand at 13½ per cent.

So what are the chances of things running rather more kindly for Sir Geoffrey this year?

On the domestic front, the major worry must be the strength of the economic recovery and the kind of wage pressures which that produces for the next year round.

For one starts from the relatively tight position where consistency with the Medium Term Financial Strategy provides for monetary growth (whether or not specifically pinned to sterling M3) of 5 to 9 per cent. As in America, the monetary authorities over here will doubtless expect growth to be near the top end of that range. Even so, some increase in the velocity of circulation is required to finance a prospective increase in money GDP over the next 12 months of perhaps 11 to 12 per cent.

That may not in itself seem unreasonable. But the issue becomes rather more worrying if one looks at it from the viewpoint of the likely credit demand required to finance recovery, particularly to finance upward swing in the stock cycle.

The latest year's figures for bank lending to the private sector have, of course, been inflated by the banks' rapidly expanding share of the mortgage market. But that hardly makes the position any more comforting.

If one assumes that the Government can fully fund its borrowing requirement in the non-bank market without too much difficulty (thus making no contribution to monetary growth), the expansion of banking credit to the private sector needs to be consistent with a maximum implied growth in sterling M3 of less than £8,000m.

In the latest 12 months, making in a period of heavy destocking by industry, bank lending to the private sector has grown by £11,400m (or over 20 per cent). During the past six months, as destocking has started to wane, it has grown at an annual rate of £17,500m. Can the private sector's appetite for credit grow still further?

On the face of it, the figures for the last six months — an annualised rate of increase of a good 30 per cent — may be unsustainable. Indeed, it may well be that the financing of tax payments deferred by the civil servants' dispute last summer has significantly distorted the trend.

However, in spite of the improving picture in corporate profitability, it still seems likely that the financing of higher activity will push the corporate sector firmly into financial deficit this year.

The Chancellor may, of course, propose direct measures to relieve industry's cash flow problems, either by way of a lower

National Insurance surcharge or some scheme for the payment of interest net of tax. Alternatively, or additionally, the Chancellor may well feel that the outlook for inflation is sufficiently improved this year to offer a more realistic prospect of the fall in long term yields required to persuade companies to start refinancing their bank borrowings in the long term capital markets.

Developments on these two fronts and, perhaps, an odd reminder to the banks to watch their lending to the personal sector may be enough to see us through. Doubtless the trend in long term interest rates and PSLL (the broad measure of private sector liquidity) will also be used to offer guidance as to the strength of total credit demand in the economy.

Even with favourable developments on the credit front, however, it is difficult to envisage a precipitate fall in interest rates. It would be surprising were the Government prepared to see real interest rates returning to more than 10 per cent. More probably, it would be content with a real yield curve, rising say from two per cent at the short end to three per cent further out.

Where that might take up in nominal terms depends on whether you see an 11, 10 or a 9 per cent inflation rate over the next 12 months.

Now all this could, of course, be totally upset by developments in the United States, and the US is indeed to blame, at least in part, for what has happened over the past year. This year it could be different, with a sharp fall in dollar interest rates and the dollar itself putting upward pressure on the pound in a way that would force the authorities to chance their arm with lower real interest rates in Britain. Much, one assumes, would depend on how the economy looked at the time.

The great fear, however, continues to be that dollar rates will shoot up once more later this year as America pulls out of recession and the Administration refuses to rein in prospective federal deficits. Possibly, the Europeans could ride that kind of storm rather more easily next time, though it is hard to see them making themselves totally immune.

But a fresh upturn in American interest rates, not the only fear, in spite of the recent strength of the current account of the balance of payments, and in spite of the relatively good performance of sterling of late, there is still some suspicion about the pound's medium-term prospects.

Britain has, indeed, clawed back part of its lost competitiveness through its own efforts during the past year or so. But it is going to take considerable time to make good the next year round for that improvement to be sustained.

Any signs that pay and productivity trends are failing to maintain that improvement will quickly transmit themselves to financial markets; and that would leave the Government facing a fresh dilemma.

Where that might take up in nominal terms depends on whether you see an 11, 10 or a 9 per cent inflation rate over the next 12 months.

Now all this could, of course, be totally upset by developments in the United States, and the US is indeed to blame, at least in part, for what has happened over the past year. This year it could be different, with a sharp fall in dollar interest rates and the dollar itself putting upward pressure on the pound in a way that would force the authorities to chance their arm with lower real interest rates in Britain. Much, one assumes, would depend on how the economy looked at the time.

The great fear, however, continues to be that dollar rates will shoot up once more later this year as America pulls out of recession and the Administration refuses to rein in prospective federal deficits. Possibly, the Europeans could ride that kind of storm rather more easily next time, though it is hard to see them making themselves totally immune.

But a fresh upturn in American interest rates, not the only fear, in spite of the recent strength of the current account of the balance of payments, and in spite of the relatively good performance of sterling of late, there is still some suspicion about the pound's medium-term prospects.

Britain has, indeed, clawed back part of its lost competitiveness through its own efforts during the past year or so. But it is going to take considerable time to make good the next year round for that improvement to be sustained.

Any signs that pay and productivity trends are failing to maintain that improvement will quickly transmit themselves to financial markets; and that would leave the Government facing a fresh dilemma.

Where that might take up in nominal terms depends on whether you see an 11, 10 or a 9 per cent inflation rate over the next 12 months.

Now all this could, of course, be totally upset by developments in the United States, and the US is indeed to blame, at least in part, for what has happened over the past year. This year it could be different, with a sharp fall in dollar interest rates and the dollar itself putting upward pressure on the pound in a way that would force the authorities to chance their arm with lower real interest rates in Britain. Much, one assumes, would depend on how the economy looked at the time.

The great fear, however, continues to be that dollar rates will shoot up once more later this year as America pulls out of recession and the Administration refuses to rein in prospective federal deficits. Possibly, the Europeans could ride that kind of storm rather more easily next time, though it is hard to see them making themselves totally immune.

But a fresh upturn in American interest rates, not the only fear, in spite of the recent strength of the current account of the balance of payments, and in spite of the relatively good performance of sterling of late, there is still some suspicion about the pound's medium-term prospects.

Britain has, indeed, clawed back part of its lost competitiveness through its own efforts during the past year or so. But it is going to take considerable time to make good the next year round for that improvement to be sustained.

Any signs that pay and productivity trends are failing to maintain that improvement will quickly transmit themselves to financial markets; and that would leave the Government facing a fresh dilemma.

## M. J. H. Nightingale &amp; Co. Limited

27/28 Lovat Lane London EC3R 9EB Telephone 01-621 1212

## The Over-the-Counter Market

Capitalisation 2000's	Company	Change on Price week	Gross Div (p)	Yld %	P/E Actual
1,243	As Brit Ind CULS	125 +1	10.0	8.0	—
4,168	Aspirin Group	72 +2	4.7	6.5	11.4
1,125	Armstrong & Rhodes	45 —	4.3	9.6	8.8
12,098	Bardon Hill	198 -2	8.7	4.4	9.6
1,313	CCL 11% Sav Prf	105 +5	15.7	15.0	—
5,107	Deborah Services	66 -3	6.0	9.1	3.3
4,433	Frank Herald	130 -1	6.4	4.9	11.7
2,002	Federal Park	81 -2	6.4	7.9	4.1
600	George Blair	52 —	—	—	—
1,568	Ind Prc Castings	95 —	7.3	7.7	6.8
4,414	Isis Cus Prof	106 —	15.7	14.8	—
229	Jackson Group	96 -1	7.0	7.3	3.0
1,530	James Burroughs	112 —	8.7	7.6	8.0
5,538	Robert Jenkins	220 —	31.3	12.5	9.5
1,000	Scarsdale	61 +1	9.3	8.7	9.4
1,381	Torday & Carlisle	159 -1	10.7	6.7	5.1
2,885	Twynford Ord	13 1/4 —	—	—	—
229	Twynk 15% ULS	78 —	15.0	13.2	—
1,815	Unifoot Holdings	25 —	3.0	3.0	4.5
760	Walter Alexander	77 +1	6.4	8.3	5.1
2,251	W. S. Yeates	225 -3	13.1	5.8	4.3



**IMI**

for building products,  
fluid power, special-  
purpose valves,  
general engineering,  
refined and wrought  
metals.  
All jobs.  
Birmingham, England

§ Forward bargains are permitted on two previous days  
(Current market price multiplied by the number of shares in Issue for the stock quoted)

(Current market price multiplied by the number of shares in Issue for the stock quoted)

[illegible]















# Silver Buck has a golden glow

By Michael Seely

All round the country on Saturday horses were racing through the mud gave an eloquent warning of the real conditions prevailing at the National Hunt Festival next week. Cheltenham is no place for the faint-hearted, but they equine or human. The carefully woven pattern of the season's form was ruthlessly ripped apart and trampled in the mud as tired animals fight for supremacy in that energy-sapping climb to the winning post.

Angelo Salvi certainly proved himself to be the kind of chap we want to have on our side in heavy ground when bearing Baron Palles by an incredible 25 lengths in the Philip Cornes Saddle Gold Final. Steve Knight, deputising for Alan Brown, excelled himself in his handling of this thorough stayer, who Jim Jolly brought earlier in the season from Phil Bull. Angelo Salvi is first an ordinary horse in good going, but when the heavens open it is a different story.

"It was hard to believe that there were previous winners in the race," an incredulous Peter

Easterby said yesterday. "Angelo Salvi will now go for the Sun Alliance Novices Hurdle at Cheltenham."

The Sea Pigeon says continues. "Easterby went on: 'I will have to make up my mind within the next few days. But I shall have to give the horse a gallop first.'"

Obviously Easterby is praying for a miracle.

The highlight of the day was Silver Buck's return to form at Market Rasen. Ridden by Kevin Whyte, Silver Buck jumped with all his old fire and dash as he made light of his 12th 7lb in the Commore (Sweeters) Handicap Steeplechase. It was a fine training feat by Michael Dickinson of course. Silver Buck's next race for which he is quoted at 8-1 with the Tote.

As duly expected, Wayward Lad had little difficulty in landing the odds of 5-2 laid on him in the Timarof Steeplechase at Haydock. However, the 12-1 on offer against Wayward Lad for the Gold Cup is hardly a generous price.

The Greenall Whitley Breweries Steeplechase turned out to be both a tipster's and a handicapper's nightmare. The winner, Scot Lane, was carrying 18lb more than his long handicap weight and the third horse, Fortina's Express, 4lb extra. Bregawn might well have won but for being hampered when Little Bay fell at the second fence from home.

Josh Gifford was delighted with the running of Aldinuti. "That should have put the horse right for Aintree," Ron Barry, who deputised for Bob Chalmers, said. "Aldinuti jumped magnificently. We came home in our own time when it was clear we could not win."

Although Morice fell at the last fence in the Victor Ludorum Hurdle, he running paid a handsome tribute to Royal Vulcan, whom he beat, at Kempton last week. After being squeezed out on the final bend, Morice was last of all jumping the first hurdle in the straight. And yet he was just about to jump upstides, the eventual winner, Azam, when coming to grief. Azam is not entered in the

Triumph Hurdle. Roger Fisher said that Azam might go for the Greenham Group Hurdle at Newbury, the race that the Lake District trainer has previously won with Ekkelbo.

All this news, of course, pales into insignificance with the fatal accident to John Thorne, who died in Oxford's Radcliffe Infirmary yesterday. Mr Thorne, who was 55, had sustained a fall on Bend A Knee, at the Bicester and Wardean Hill point-to-point, near Banbury on Saturday. The whole racing world will mourn the tragic death of Mr Thorne whose riding of Spartan Missile when second to Aldinuti in last year's Grand National was the highlight of a long and honourable career in the saddle.

Thorne obituary, page 10

There will be an inspection at 3.30 today to assess prospects for racing at Warwick tomorrow. The course is waterlogged and racing is very unlikely.

STATE OF GOING (Warwick) Windy, heavy, overcast. Good. Tomorrow: Foul, heavy, heavy rain. Good to soft. Warwick: Heavy rain.



Waiting to pounce: David Goulding and Azam (left) take the last hurdle behind Great Light

## Windsor

**1.30 THAMES HURDLE** (Div 1, novices: £600; 2m 30yd) (15 runners)

101 040p-00 ALLY THE (D Underwood) D Underwood 5-11-3  
102 040p-00 ALLY THE (D Underwood) D Underwood 5-11-3  
103 040p-00 ALLY THE (D Underwood) D Underwood 5-11-3  
104 040p-00 ALLY THE (D Underwood) D Underwood 5-11-3  
105 040p-00 ALLY THE (D Underwood) D Underwood 5-11-3  
106 040p-00 ALLY THE (D Underwood) D Underwood 5-11-3  
107 040p-00 ALLY THE (D Underwood) D Underwood 5-11-3  
108 040p-00 ALLY THE (D Underwood) D Underwood 5-11-3  
109 040p-00 ALLY THE (D Underwood) D Underwood 5-11-3  
110 040p-00 ALLY THE (D Underwood) D Underwood 5-11-3  
111 040p-00 ALLY THE (D Underwood) D Underwood 5-11-3  
112 040p-00 ALLY THE (D Underwood) D Underwood 5-11-3  
113 040p-00 ALLY THE (D Underwood) D Underwood 5-11-3  
114 040p-00 ALLY THE (D Underwood) D Underwood 5-11-3  
115 040p-00 ALLY THE (D Underwood) D Underwood 5-11-3  
116 040p-00 ALLY THE (D Underwood) D Underwood 5-11-3  
117 040p-00 ALLY THE (D Underwood) D Underwood 5-11-3  
118 040p-00 ALLY THE (D Underwood) D Underwood 5-11-3  
119 040p-00 ALLY THE (D Underwood) D Underwood 5-11-3  
120 040p-00 ALLY THE (D Underwood) D Underwood 5-11-3

**2.30 COLLEGE CHASE** (Novice hand)  
101 040p-00 COLLEGE CHASE (Novice hand)  
102 040p-00 COLLEGE CHASE (Novice hand)  
103 040p-00 COLLEGE CHASE (Novice hand)  
104 040p-00 COLLEGE CHASE (Novice hand)  
105 040p-00 COLLEGE CHASE (Novice hand)  
106 040p-00 COLLEGE CHASE (Novice hand)  
107 040p-00 COLLEGE CHASE (Novice hand)  
108 040p-00 COLLEGE CHASE (Novice hand)  
109 040p-00 COLLEGE CHASE (Novice hand)  
110 040p-00 COLLEGE CHASE (Novice hand)  
111 040p-00 COLLEGE CHASE (Novice hand)  
112 040p-00 COLLEGE CHASE (Novice hand)  
113 040p-00 COLLEGE CHASE (Novice hand)  
114 040p-00 COLLEGE CHASE (Novice hand)  
115 040p-00 COLLEGE CHASE (Novice hand)  
116 040p-00 COLLEGE CHASE (Novice hand)  
117 040p-00 COLLEGE CHASE (Novice hand)  
118 040p-00 COLLEGE CHASE (Novice hand)  
119 040p-00 COLLEGE CHASE (Novice hand)  
120 040p-00 COLLEGE CHASE (Novice hand)

**2.30 MARCH CHASE** (Handicap)  
101 040p-00 MARCH CHASE (Handicap)  
102 040p-00 MARCH CHASE (Handicap)  
103 040p-00 MARCH CHASE (Handicap)  
104 040p-00 MARCH CHASE (Handicap)  
105 040p-00 MARCH CHASE (Handicap)  
106 040p-00 MARCH CHASE (Handicap)  
107 040p-00 MARCH CHASE (Handicap)  
108 040p-00 MARCH CHASE (Handicap)  
109 040p-00 MARCH CHASE (Handicap)  
110 040p-00 MARCH CHASE (Handicap)  
111 040p-00 MARCH CHASE (Handicap)  
112 040p-00 MARCH CHASE (Handicap)  
113 040p-00 MARCH CHASE (Handicap)  
114 040p-00 MARCH CHASE (Handicap)  
115 040p-00 MARCH CHASE (Handicap)  
116 040p-00 MARCH CHASE (Handicap)  
117 040p-00 MARCH CHASE (Handicap)  
118 040p-00 MARCH CHASE (Handicap)  
119 040p-00 MARCH CHASE (Handicap)  
120 040p-00 MARCH CHASE (Handicap)

**3.0 HENLYS LAND-ROVER HUNTER CHASE** (Amateurs: £800 3m)  
101 040p-00 HENLYS LAND-ROVER HUNTER CHASE (Amateurs: £800 3m)  
102 040p-00 HENLYS LAND-ROVER HUNTER CHASE (Amateurs: £800 3m)  
103 040p-00 HENLYS LAND-ROVER HUNTER CHASE (Amateurs: £800 3m)  
104 040p-00 HENLYS LAND-ROVER HUNTER CHASE (Amateurs: £800 3m)  
105 040p-00 HENLYS LAND-ROVER HUNTER CHASE (Amateurs: £800 3m)  
106 040p-00 HENLYS LAND-ROVER HUNTER CHASE (Amateurs: £800 3m)  
107 040p-00 HENLYS LAND-ROVER HUNTER CHASE (Amateurs: £800 3m)  
108 040p-00 HENLYS LAND-ROVER HUNTER CHASE (Amateurs: £800 3m)  
109 040p-00 HENLYS LAND-ROVER HUNTER CHASE (Amateurs: £800 3m)  
110 040p-00 HENLYS LAND-ROVER HUNTER CHASE (Amateurs: £800 3m)  
111 040p-00 HENLYS LAND-ROVER HUNTER CHASE (Amateurs: £800 3m)  
112 040p-00 HENLYS LAND-ROVER HUNTER CHASE (Amateurs: £800 3m)  
113 040p-00 HENLYS LAND-ROVER HUNTER CHASE (Amateurs: £800 3m)  
114 040p-00 HENLYS LAND-ROVER HUNTER CHASE (Amateurs: £800 3m)  
115 040p-00 HENLYS LAND-ROVER HUNTER CHASE (Amateurs: £800 3m)  
116 040p-00 HENLYS LAND-ROVER HUNTER CHASE (Amateurs: £800 3m)  
117 040p-00 HENLYS LAND-ROVER HUNTER CHASE (Amateurs: £800 3m)  
118 040p-00 HENLYS LAND-ROVER HUNTER CHASE (Amateurs: £800 3m)  
119 040p-00 HENLYS LAND-ROVER HUNTER CHASE (Amateurs: £800 3m)  
120 040p-00 HENLYS LAND-ROVER HUNTER CHASE (Amateurs: £800 3m)

**3.30 SPRING HURDLE** (Handicap: £1,400; 2½m) (24)

101 040p-00 SPRING HURDLE (Handicap: £1,400; 2½m) (24)  
102 040p-00 SPRING HURDLE (Handicap: £1,400; 2½m) (24)  
103 040p-00 SPRING HURDLE (Handicap: £1,400; 2½m) (24)  
104 040p-00 SPRING HURDLE (Handicap: £1,400; 2½m) (24)  
105 040p-00 SPRING HURDLE (Handicap: £1,400; 2½m) (24)  
106 040p-00 SPRING HURDLE (Handicap: £1,400; 2½m) (24)  
107 040p-00 SPRING HURDLE (Handicap: £1,400; 2½m) (24)  
108 040p-00 SPRING HURDLE (Handicap: £1,400; 2½m) (24)  
109 040p-00 SPRING HURDLE (Handicap: £1,400; 2½m) (24)  
110 040p-00 SPRING HURDLE (Handicap: £1,400; 2½m) (24)  
111 040p-00 SPRING HURDLE (Handicap: £1,400; 2½m) (24)  
112 040p-00 SPRING HURDLE (Handicap: £1,400; 2½m) (24)  
113 040p-00 SPRING HURDLE (Handicap: £1,400; 2½m) (24)  
114 040p-00 SPRING HURDLE (Handicap: £1,400; 2½m) (24)  
115 040p-00 SPRING HURDLE (Handicap: £1,400; 2½m) (24)  
116 040p-00 SPRING HURDLE (Handicap: £1,400; 2½m) (24)  
117 040p-00 SPRING HURDLE (Handicap: £1,400; 2½m) (24)  
118 040p-00 SPRING HURDLE (Handicap: £1,400; 2½m) (24)  
119 040p-00 SPRING HURDLE (Handicap: £1,400; 2½m) (24)  
120 040p-00 SPRING HURDLE (Handicap: £1,400; 2½m) (24)

**4.0 THAMES HURDLE** (Div 1, novices: £800; 2m 30yd) (17)

101 040p-00 THAMES HURDLE (Div 1, novices: £800; 2m 30yd) (17)  
102 040p-00 THAMES HURDLE (Div 1, novices: £800; 2m 30yd) (17)  
103 040p-00 THAMES HURDLE (Div 1, novices: £800; 2m 30yd) (17)  
104 040p-00 THAMES HURDLE (Div 1, novices: £800; 2m 30yd) (17)  
105 040p-00 THAMES HURDLE (Div 1, novices: £800; 2m 30yd) (17)  
106 040p-00 THAMES HURDLE (Div 1, novices: £800; 2m 30yd) (17)  
107 040p-00 THAMES HURDLE (Div 1, novices: £800; 2m 30yd) (17)  
108 040p-00 THAMES HURDLE (Div 1, novices: £800; 2m 30yd) (17)  
109 040p-00 THAMES HURDLE (Div 1, novices: £800; 2m 30yd) (17)  
110 040p-00 THAMES HURDLE (Div 1, novices: £800; 2m 30yd) (17)  
111 040p-00 THAMES HURDLE (Div 1, novices: £800; 2m 30yd) (17)  
112 040p-00 THAMES HURDLE (Div 1, novices: £800; 2m 30yd) (17)  
113 040p-00 THAMES HURDLE (Div 1, novices: £800; 2m 30yd) (17)  
114 040p-00 THAMES HURDLE (Div 1, novices: £800; 2m 30yd) (17)  
115 040p-00 THAMES HURDLE (Div 1, novices: £800; 2m 30yd) (17)  
116 040p-00 THAMES HURDLE (Div 1, novices: £800; 2m 30yd) (17)  
117 040p-00 THAMES HURDLE (Div 1, novices: £800; 2m 30yd) (17)

**4.30 THAMES HURDLE** (Div 1, novices: £800; 2m 30yd) (14)

101 040p-00 THAMES HURDLE (Div 1, novices: £800; 2m 30yd) (14)  
102 040p-00 THAMES HURDLE (Div 1, novices: £800; 2m 30yd) (14)  
103 040p-00 THAMES HURDLE (Div 1, novices: £800; 2m 30yd) (14)  
104 040p-00 THAMES HURDLE (Div 1, novices: £800; 2m 30yd) (14)  
105 040p-00 THAMES HURDLE (Div 1, novices: £800; 2m 30yd) (14)  
106 040p-00 THAMES HURDLE (Div 1, novices: £800; 2m 30yd) (14)  
107 040p-00 THAMES HURDLE (Div 1, novices: £800; 2m 30yd) (14)  
108 040p-00 THAMES HURDLE (Div 1, novices: £800; 2m 30yd) (14)  
109 040p-00 THAMES HURDLE (Div 1, novices: £800; 2m 30yd) (14)  
110 040p-00 THAMES HURDLE (Div 1, novices: £800; 2m 30yd) (14)  
111 040p-00 THAMES HURDLE (Div 1, novices: £800; 2m 30yd) (14)  
112 040p-00 THAMES HURDLE (Div 1, novices: £800; 2m 30yd) (14)  
113 040p-00 THAMES HURDLE (Div 1, novices: £800; 2m 30yd) (14)  
114 040p-00 THAMES HURDLE (Div 1, novices: £800; 2m 30yd) (14)  
115 040p-00 THAMES HURDLE (Div 1, novices: £800; 2m 30yd) (14)  
116 040p-00 THAMES HURDLE (Div 1, novices: £800; 2m 30yd) (14)  
117 040p-00 THAMES HURDLE (Div 1, novices: £800; 2m 30yd) (14)

**4.30 THAMES HURDLE** (Div 1, novices: £800; 2m 30yd) (14)

101 040p-00 THAMES HURDLE (Div 1, novices: £800; 2m 30yd) (14)  
102 040p-00 THAMES HURDLE (Div 1, novices: £800; 2m 30yd) (14)  
103 040p-00 THAMES HURDLE (Div 1, novices: £800; 2m 30yd) (14)  
104 040p-00 THAMES HURDLE (Div 1, novices: £800; 2m 30yd) (14)  
105 040p-00 THAMES HURDLE (Div 1, novices: £800; 2m 30yd) (14)  
106 040p-00 THAMES HURDLE (Div 1, novices: £800; 2m 30yd) (14)  
107 040p-00 THAMES HURDLE (Div 1, novices: £800; 2m 30yd) (14)  
108 040p-00 THAMES HURDLE (Div 1, novices: £800; 2m 30yd) (14)  
109 040p-00 THAMES HURDLE (Div 1, novices: £800; 2m 30yd) (14)  
110 040p-00 THAMES HURDLE (Div 1, novices: £800; 2m 30yd) (14)  
111 040p-00 THAMES HURDLE (Div 1, novices: £800; 2m 30yd) (14)  
112 040p-00 THAMES HURDLE (Div 1, novices: £800; 2m 30yd) (14)  
113 040p-00 THAMES HURDLE (Div 1, novices: £800; 2m 30yd) (14)  
114 040p-00 THAMES HURDLE (Div 1, novices: £800; 2m 30yd) (14)  
115 040p-00 THAMES HURDLE (Div 1, novices: £800; 2m 30yd) (14)  
116 040p-00 THAMES HURDLE (Div 1, novices: £800; 2m 30yd) (14)  
117 040p-00 THAMES HURDLE (Div 1, novices: £800; 2m 30yd) (14)

**4.30 THAMES HURDLE** (Div 1, novices: £800; 2m 30yd) (14)

101 040p-00 THAMES HURDLE (Div 1, novices: £800; 2m 30yd) (14)  
102 040p-00 THAMES HURDLE (Div 1, novices: £800; 2m 30yd) (14)  
103 040p-00 THAMES HURDLE (Div 1, novices: £800; 2m 30yd) (14)  
104 040p-00 THAMES HURDLE (Div 1, novices: £800; 2m 30yd) (14)  
105 040p-00 THAMES HURDLE (Div 1, novices: £800; 2m 30yd) (14)  
106 040p-00 THAMES HURDLE (Div 1, novices: £800; 2m 30yd) (14)  
107 040p-00 THAMES HURDLE (Div 1, novices: £800; 2m 30yd) (14)  
108 040p-00 THAMES HURDLE (Div 1, novices: £800; 2m 30yd) (14)  
109 040p-00 THAMES HURDLE (Div 1, novices: £800; 2m 30yd) (14)  
110 040p-00 THAMES HURDLE (Div 1, novices: £800; 2m 30yd) (14)  
111 040p-00 THAMES HURDLE (Div 1, novices: £800; 2m 30yd) (14)  
112 040p-00 THAMES HURDLE (Div 1, novices: £800; 2m 30yd) (14)  
113 040p-00 THAMES HURDLE (Div 1, novices: £800; 2m 30yd) (14)  
114 040p-00 THAMES HURDLE (Div 1, novices: £800; 2m 30yd) (14)  
115 040p-00 THAMES HURDLE (Div 1, novices: £800; 2m 30yd) (14)  
116 040p-00 THAMES HURDLE (Div 1, novices: £800; 2m 30yd) (14)  
117 040p-00 THAMES HURDLE (Div 1, novices: £800; 2m 30yd) (14)

**4.30 THAMES HURDLE** (Div 1, novices: £800; 2m 30yd) (14)

101 040p-00 THAMES HURDLE (Div 1, novices: £800; 2m 30yd) (14)  
102 040p-00 THAMES HURDLE (Div 1, novices: £800; 2m 30yd) (14)  
103 040p-00 THAMES HURDLE (Div 1, novices: £800; 2m 30yd) (14)  
104 040p-00 THAMES HURDLE (Div 1, novices: £800; 2m 30yd) (14)  
105 040p-00 THAMES HURDLE (Div 1, novices: £800; 2m 30yd) (14)  
106 040p-00 THAMES HURDLE (Div 1, novices: £800; 2m 30yd) (14)  
107 040p-00 THAMES HURDLE (Div 1, novices: £800; 2m 30yd) (14)  
108 040p-00 THAMES HURDLE (Div 1, novices: £800; 2m 30yd) (14)  
109 040p-00 THAMES HURDLE (Div 1, novices: £800; 2m 30yd) (14)  
110 040p-00 THAMES HURDLE (Div 1, novices: £800; 2m 30yd) (14)  
111 040p-00 THAMES HURDLE (Div 1, novices: £800; 2m 30yd) (14)  
112 040p-00 THAMES HURDLE (Div 1, novices: £800; 2m 30yd) (14)  
113 040p-00 THAMES HURDLE (Div 1, novices: £800; 2m 30yd) (14)  
114 040p-00 THAMES HURDLE (Div 1, novices: £800; 2m 30yd) (14)  
115 040p-00 THAMES HURDLE (Div 1, novices: £800; 2m 30yd) (14)  
116 040p-00 THAMES HURDLE (Div 1, novices: £800; 2m 30yd) (14)  
117 040p-00 THAMES HURDLE (Div 1, novices: £800; 2m 30yd) (14)

**4.30 THAMES HURDLE** (Div 1, novices: £800; 2m 30yd) (14)

101 040p-00 THAMES HURDLE (Div 1, novices: £800; 2m 30yd) (14)  
102 040p-00 THAMES HURDLE (Div 1, novices: £800; 2m 30yd) (14)  
103 040p-00 THAMES HURDLE (Div 1, novices: £800; 2m 30yd) (14)  
104 040p-00 THAMES HURDLE (Div 1, novices: £800; 2m 30yd) (14)  
105 040p-00 THAMES HURDLE (Div 1, novices: £800; 2m 30yd) (14)  
106 040p-00 THAMES HURDLE (Div 1, novices: £800; 2m 30yd) (14)  
107 040p-00 THAMES HURDLE (Div 1, novices: £800; 2m 30yd) (14)  
108 040p-00 THAMES HURDLE (Div 1, novices: £800; 2m 30yd) (14)  
109 040p-00 THAMES HURDLE (Div 1, novices: £800; 2m 30yd) (14)  
110 040p-00 THAMES HURDLE (Div 1, novices: £800; 2m 30yd) (14)  
111 040p-00 THAMES HURDLE (Div 1, novices: £800; 2m 30yd) (14)  
112 040p-00 THAMES HURDLE (Div 1, novices: £800; 2m 30yd) (14)  
113 040p-00 THAMES HURDLE (Div 1, novices: £800; 2m 30yd) (14)  
114 040p-00 THAMES HURDLE (Div 1, novices: £800; 2m 30yd) (14)  
115 040p-00 THAMES HURDLE (Div 1, novices: £800; 2m 30yd) (14)  
116 040p-00 THAMES HURDLE (Div 1, novices: £800; 2m 30yd) (14)  
117 040p-00 THAMES HURDLE (Div 1, novices: £800; 2m 30yd) (14)

**4.30 THAMES HURDLE** (Div 1, novices: £800; 2m 30yd) (14)

101 040p-00 THAMES HURDLE (Div 1, novices: £800; 2m 30yd) (14)  
102 040p-00 THAMES HURDLE (Div 1, novices: £800; 2m 30yd) (14)  
103 040p-00 THAMES HURDLE (Div 1, novices: £800; 2m 30yd) (14)  
104 040p-00 THAMES HURDLE (Div 1, novices: £800; 2m 30yd) (14)  
105 040p-00 THAMES HURDLE (Div 1, novices: £800; 2m 30yd) (14)  
106 040p-00 THAMES HURDLE (Div 1, novices: £800; 2m 30yd) (14)  
107 040p-00 THAMES HURDLE (Div 1, novices: £800; 2m 30yd) (14)  
108 040p-00 THAMES HURDLE (Div 1, novices: £800; 2m 30yd) (14)  
109 040p-00 THAMES HURDLE (Div 1, novices: £800; 2m 30yd) (14)  
110 040p-00 THAMES HURDLE (Div 1, novices: £800; 2m 30yd) (14)  
111 040p-00 THAMES HURDLE (Div 1, novices: £800; 2m 30yd) (14)  
112 040p-00 THAMES HURDLE (Div 1, novices: £800; 2m 30yd) (14)  
113 040p-00 THAMES HURDLE (Div 1, novices: £800; 2m 30yd) (14)  
114 040p-00 THAMES HURDLE (Div 1, novices: £800; 2m 30yd) (14)  
115 040p-00 THAMES HURDLE (Div 1, novices: £800; 2m 30yd) (14)  
116 040p-00 THAMES HURDLE (Div 1, novices: £800; 2m 30yd) (14)  
117 040p-00 THAMES HURDLE (Div 1, novices: £800; 2m 30yd) (14)

**4.30 THAMES HURDLE** (Div 1, novices: £800; 2m 30yd) (14)

101 040p-00 THAMES HURDLE (Div 1, novices: £800; 2m 30yd) (14)  
102 040p-00 THAMES HURDLE (Div 1, novices: £800; 2m 30yd) (14)  
103 040p-00 THAMES HURDLE (Div 1, novices: £800; 2m 30yd) (14)  
104 040p-00 THAMES HURDLE (Div 1, novices: £800; 2m 30yd) (14)  
105 040p-00 THAMES HURDLE (Div 1, novices: £800; 2m 30yd) (14)  
106 040p-00 THAMES HURDLE (Div 1, novices: £800; 2m 30yd) (14)  
107 040p-00 THAMES HURDLE (Div 1, novices: £800; 2m 30yd) (14)  
108 040p-00 THAMES HURDLE (Div 1, novices: £800; 2m 30yd) (14)  
109 040p-00 THAMES HURDLE (Div 1, novices: £800; 2m 30yd) (14)  
110 040p-00 THAMES HURDLE (Div 1, novices: £800; 2m 30yd) (14)  
111 040p-00 THAMES HURDLE (Div 1, novices: £800; 2m 30yd) (14)  
112 040p-00 THAMES HURDLE (Div 1, novices: £800; 2m 30yd) (14)  
113 040p-00 THAMES HURDLE (Div 1, novices: £800; 2m 30yd) (14)  
114 040p-00 THAMES HURDLE (Div 1, novices: £800; 2m 30yd) (14)  
115 040p-00 THAMES HURDLE (Div 1, novices: £800; 2m 30yd) (14)  
116 040p-00 THAMES HURDLE (Div 1, novices: £800; 2m 30yd) (14)  
117 040p-00 THAMES HURDLE (Div 1, novices: £800; 2m 30yd) (14)

## Sedgefield

**1.45 GROVE HURDLE** (Div 1, novices: £345; 2½m) (14 runners)

101 040p-00 GROVE HURDLE (Div 1, novices: £345; 2½m) (14 runners)  
102 040p-00 GROVE HURDLE (Div 1, novices: £345; 2½m) (14 runners)  
103 040p-00 GROVE HURDLE (Div 1, novices: £345; 2½m) (14 runners)  
104 040p-00 GROVE HURDLE (Div 1, novices: £345; 2½m) (14 runners)  
105 040p-00 GROVE HURDLE (Div 1, novices: £345; 2½m) (14 runners)  
106 040p-00 GROVE HURDLE (Div 1, novices: £345; 2½m) (14 runners)  
107 040p-00 GROVE HURDLE (Div 1, novices: £345; 2½m) (14 runners)  
108 040p-00 GROVE HURDLE (Div 1, novices: £345; 2½m) (14 runners)  
109 040p-00 GROVE HURDLE (Div 1, novices: £345; 2½m) (14 runners)  
110 040p-00 GROVE HURDLE (Div 1, novices: £345; 2½m) (14 runners)  
111 040p-00 GROVE HURDLE (Div 1, novices: £345; 2½m) (14 runners)  
112 040p-00 GROVE HURDLE (Div 1, novices: £345; 2½m) (14 runners)  
113 040p-00 GROVE HURDLE (Div 1, novices: £345; 2½m) (14 runners)  
114 040p-00 GROVE HURDLE (Div 1, novices: £345; 2½m) (14 runners)  
115 040p-00 GROVE HURDLE (Div 1, novices: £345; 2½m) (14 runners)  
116 040p-00 GROVE HURDLE (Div 1, novices: £345; 2½m) (14 runners)  
117 040p-00 GROVE HURDLE (Div 1, novices: £345; 2½m) (14 runners)

**2.15 CROOK HURDLE** (Selling handicap: £450; 2m) (21)

101 040p-00 CROOK HURDLE (Selling handicap: £450; 2m) (21)  
102 040p-00 CROOK HURDLE (Selling handicap: £450; 2m) (21)  
103 040p-00 CROOK HURDLE (Selling handicap: £450; 2m) (21)  
104 040p-00 CROOK HURDLE (Selling handicap: £450; 2m) (21)  
105 040p-00 CROOK HURDLE (Selling handicap: £450; 2m) (21)  
106 040p-00 CROOK HURDLE (Selling handicap: £450; 2m) (21)  
107 040p-00 CROOK HURDLE (Selling handicap: £450; 2m) (21)  
108 040p-00 CROOK HURDLE (Selling handicap: £450; 2m) (21)  
109 040p-00 CROOK HURDLE (Selling handicap: £450; 2m) (21)  
110 04















